



Unlocking Employee Potential: The Effects of Work Environment, Leadership, Compensation, and Flexi-Time on Motivation

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Abstract. This study investigates the effects of work environment, leadership, compensation, and flexi-time on employee motivation within the service sector in Makassar, Indonesia. Using a quantitative approach with Structural Equation Modeling (SEM), data from 121 employees were analyzed. Results indicate that all four variables significantly impact employee motivation. The work environment (path coefficient = 0.164, $p = 0.004$), transformational leadership (path coefficient = 0.163, $p = 0.029$), fair compensation (path coefficient = 0.286, $p = 0.000$), and flexi-time (path coefficient = 0.252, $p = 0.000$) all positively affect motivation. Fair compensation exerts the strongest influence, followed by flexi-time, work environment, and transformational leadership. These findings suggest organizations should prioritize enhancing these areas to cultivate a motivated workforce. Future research could include other industries and explore moderating variables affecting these relationships. The results underscore the importance of a holistic approach to employee motivation, emphasizing the need to address multiple factors simultaneously. By improving the work environment, implementing effective leadership, offering fair compensation, and providing flexible work arrangements, companies can create a more engaging workplace. This approach enhances employee satisfaction and can boost organizational performance in the service sector.

Keywords: Employee Motivation, Work Environment, Transformational Leadership, Compensation, Flexi-Time.

1 Introduction

In contemporary work environments, employee motivation is a crucial driver of organizational success. Motivated employees are more likely to demonstrate high levels of engagement, productivity, and job satisfaction, all of which significantly contribute to an organization's overall performance [1]. As organizations face an increasingly competitive and dynamic business landscape, understanding the factors that influence employee motivation has become a central focus of human resource management [2, 3]. Among the various factors that affect motivation, work environment, leadership, compensation, and flexi-time have emerged as key determinants.

A supportive work environment is crucial for boosting employee motivation, as it includes both the physical and social elements of the workplace [4]. Herzberg's Two-Factor Theory suggests that aspects like work conditions and company culture are key to avoiding dissatisfaction, while motivators such as recognition and responsibility are essential for improving job satisfaction and motivation. Additionally, leadership styles significantly influence employee attitudes and behaviors. Transformational leaders, who inspire and empower their teams, have been found to enhance motivation by promoting a shared vision and encouraging innovation [5].

In addition, compensation remains a fundamental aspect of employee motivation, especially in the context of extrinsic motivation [2]. Fair and competitive compensation not only rewards employees for their efforts but also reinforces their commitment to the organization. However, it is increasingly being recognized that monetary incentives alone are insufficient to sustain high levels of motivation. This is when flexi-time policies play a significant role [3]. By offering employees greater control over their working hours, organizations can improve work-life balance, reduce stress, and ultimately enhance motivation.

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The work environment, encompassing both physical and social aspects, plays a vital role in shaping employee attitudes and behaviors. A supportive work environment provides employees with the necessary resources, safety, and encouragement to perform at their best. It includes elements such as comfortable workspaces, open communication, and positive relationships between colleagues and managers. Research indicates that employees who work in environments that foster mutual respect and collaboration are more motivated, as these conditions contribute to a sense of belonging and well-being. The positive effects of such environments have been widely recognized in organizational behavior studies, underscoring the need for companies to invest in creating a conducive atmosphere for work.

Transformational leadership significantly impacts employee motivation by inspiring teams through a vision that aligns personal ambitions with the goals of the organization. Such leaders prioritize empowering their staff, promoting innovation, and supporting personal growth. They act as role models, encouraging employees to prioritize the organization's interests over their own. Consequently, transformational leadership is linked to increased intrinsic motivation, employee engagement, and dedication. This style of leadership surpasses traditional transactional leadership, which mainly emphasizes rewarding specific actions or tasks, by cultivating a more comprehensive and enduring form of motivation.

Compensation and reward systems further complement these factors by providing tangible recognition for employees' contributions. Fair compensation serves as a

hygiene factor, reducing dissatisfaction and helping employees feel valued. However, compensation alone may not be enough to sustain long-term motivation. This is where non-monetary incentives such as recognition, career development, and job enrichment become essential. Research suggests that while compensation addresses the extrinsic aspects of motivation, intrinsic motivators, including opportunities for personal growth and work-life balance, are necessary to fully engage employees. Flexi-time policies, which allow employees to adjust their working hours, play a crucial role in enhancing work-life balance, thus reducing stress and fostering a more motivated workforce.

This study aimed to explore how these factors: work environment, leadership, compensation, and flexi-time influence employee motivation, with a particular focus on how they interact to unlock the full potential of employees. The results of this study are expected to provide valuable insights for organizations seeking to optimize their human resource strategies and foster a motivated and committed workforce.

2 Literature Review

2.1 Herzberg's Two-Factor Theory

This study adopts Herzberg's Two-Factor Theory as its main theoretical foundation to explain employee motivation. This theory classifies factors that influence job satisfaction into two main categories: motivators and hygiene factors. Motivator factors directly enhance satisfaction and motivation such as achievement, recognition, and responsibility. On the other hand, hygiene factors, such as working conditions, relationships with supervisors, and compensation, are elements that prevent dissatisfaction but do not directly increase job satisfaction. In the context of this study, work environment, compensation, and flexi-time can be considered as hygiene factors, while leadership styles that support and empower employees fall under motivator factors.

This theory is highly relevant because in many organizations, although factors such as the work environment and compensation play an important role in creating a comfortable baseline for employees, they are not enough to increase employee motivation without the presence of intrinsic motivators [6]. Leadership styles, especially transformational leadership, can motivate employees to work harder and engage in more tasks. Therefore, combining hygiene factors with motivators provides a better understanding of how various aspects within an organization can interact to improve employee motivation.

Herzberg's theory provides a strong foundation for this research because flexi-time is directly related to employee satisfaction through its impact on both hygiene factors and intrinsic motivation. By giving employees more freedom in managing their work schedules, flexible time can reduce dissatisfaction related to rigid working hours and stress. Simultaneously, transformational leadership, which inspires and empowers employees, can enhance intrinsic motivation and strengthen employee engagement and commitment to the organization.

2.2 Work Environment

The work environment refers to the physical and social conditions of the workplace that affect employees' well-being and, in turn, their performance [7]. The physical aspects of the work environment include facilities, comfort, and cleanliness. Meanwhile, social aspects encompass relationships between coworkers, organizational culture, and the quality of communication between management and employees [8]. A positive work environment can enhance employee motivation by creating an atmosphere that is supportive, safe, and inclusive, allowing employees to focus on their tasks without being disturbed by negative factors.

Previous research has shown that a good work environment can function as a hygiene factor that prevents employee dissatisfaction, although it is insufficient to improve intrinsic motivation. In the context of this study, a supportive work environment helps create a baseline for employees to work more effectively; however, other factors, such as leadership and compensation, are also needed to further enhance motivation.

2.3 Leadership Style

Leadership style refers to the approach used by leaders to motivate, direct, and manage teams and organisations. In this study, transformational leadership was chosen because it focuses on empowering employees, individual development, and creating a shared vision that motivates employees to achieve higher goals [9]. Transformational leaders encourage employees to think creatively, innovate, and prioritize the organization's interests over their personal interests.

This leadership style is highly relevant in the context of intrinsic motivation, as transformational leaders focus not only on short-term outcomes but also on the personal and professional development of employees [10]. By recognizing employees' achievements and assigning them greater responsibilities, leaders can increase employee engagement and strengthen their commitment to the organization.

2.4 Compensation

Compensation includes salaries, benefits, bonuses, and other incentives provided by the organisation to employees as rewards for their work [11]. This factor acts as a hygiene factor that reduces employee dissatisfaction related to financial issues, although it is insufficient to enhance intrinsic motivation. Fair and competitive compensation, which can reduce turnover rates and increase extrinsic motivation, is essential for retaining employees and ensuring that they feel valued [12].

Additionally, while compensation can improve job satisfaction, intrinsic motivation derived from non-financial rewards, such as recognition and career development, often has a greater impact on long-term motivation and organizational commitment. Therefore, in this study, compensation was analysed as a factor that supports employee well-being, while leadership and the work environment played primary roles in enhancing employee motivation.

2.5 Flexi-Time

Flexi-time is a policy that allows employees to set their working hours within a specified range agreed upon by the organization. This policy aims to improve employees' work-life balance and provide them with more control over their working hours [2, 13]. Flexi-time has the potential to reduce the stress associated with rigid working hours and increase intrinsic motivation, as employees feel empowered to adjust their work to suit their personal needs. The effective implementation of flexi-time can strengthen employees' commitment to the organization by giving them more freedom to manage their time, which also enhances job satisfaction. With more control over their schedules, employees are more likely to feel satisfied with their work and are more motivated to deliver their best performance to the organization [14, 15].

2.6 Hypothesis Development

Positive Work Environment and Employee Motivation. A positive work environment is one of the factors that significantly impact employee motivation. A comfortable, safe, and supportive work environment can increase intrinsic motivation [4]. According to Herzberg's Two-Factor Theory, a good work environment functions as a hygiene factor that prevents employee dissatisfaction. Although this factor does not directly increase motivation, a positive work environment is essential for creating a foundation that supports optimal performance in the workplace. Employees working in harmonious environments with adequate facilities tend to feel more satisfied and motivated to work.

Additionally, strong social connections between colleagues and their supervisors are crucial in boosting employee motivation. Leaders who demonstrate care and empathy while fostering supportive relationships contribute to a work environment that enhances motivation [16]. A workplace that is inclusive and supportive increases employees' sense of engagement and dedication, motivating them to offer more to the organization. Employees who feel appreciated in a positive setting are more inclined to surpass organizational expectations.

The physical aspects of the workplace, including the comfort of the office and the availability of suitable work equipment, have a direct impact on job satisfaction and employee motivation. Consequently, a supportive work environment can enhance employees' sense of ownership over their tasks, resulting in increased motivation and improved productivity.

H1: A positive work environment has a positive effect on employee motivation.

Transformational Leadership and transformational. Leadership plays a crucial role in influencing employees' intrinsic motivation. Transformational leaders, who offer a clear vision, personal support, and inspiration, motivate their teams to become more engaged in their work [17]. As per Herzberg's theory, leadership that empowers and inspires can serve as a motivating factor, boosting job satisfaction and intrinsic motivation. Leaders who foster creativity and challenge their employees enhance their

sense of accomplishment and encourage them to perform at their best for the organization [18].

Transformational leaders pay more attention to the development of individual employees, encouraging them to grow in their roles [19]. When employees feel valued and encouraged by their leaders to develop, they tend to become more engaged in their work. Thus, transformational leadership can inspire employees to reach their full potential, increasing their motivation to work better, and contributing more to the organization.

Furthermore, leaders using this style can increase employees' trust in the organization and their vision. This fosters stronger affective commitment to the organization. Therefore, leadership that focuses on empowerment and development can significantly boost intrinsic motivation, leading to higher loyalty and engagement among employees in the long term.

H2: Transformational leadership has a positive effect on employee motivation.

Fair Compensation and Employee Motivation. Fair and competitive compensation play an important role in increasing employees' extrinsic motivation. Employees who feel that they are fairly rewarded for their contributions are more likely to be motivated to work harder and focus more on achieving organizational goals [3]. Adequate compensation, whether in the form of salary, benefits, or performance-based incentives, recognizes that employees need to feel valued and motivated to give their best. In the context of Herzberg's theory, compensation functions as a hygiene factor that prevents dissatisfaction and ensures that employees remain satisfied with their work.

However, while compensation plays a crucial role in ensuring job satisfaction, it is important to remember that other motivator factors such as recognition and job challenges are also necessary to maintain intrinsic motivation. Therefore, fair compensation functions as a necessary foundation to ensure that employees feel appreciated and remain motivated to work [20]. Employees who feel that they are treated fairly in terms of compensation are likely to be more committed to the organization and motivated to contribute further.

Additionally, performance-based compensation can encourage employees to work harder and improve the quality of their work. Financial incentives linked directly to achieving goals or work results increase extrinsic motivation, as employees can see their efforts rewarded through fair and transparent compensation.

H3: Fair compensation has a positive effect on employee motivation.

Flexi-time and Employee Motivation. Flexi-time is a policy that gives employees more freedom to determine working hours. This policy provides employees with greater control over how they balance work and personal time, which improves their work-life balance. When employees have time flexibility, they tend to feel more valued and are better able to organize their work in the most efficient way [21]. Therefore, flexible time can enhance intrinsic motivation by giving employees more control over their work, which in turn increases job satisfaction and reduces stress.

As a motivator factor, flexible time allows employees to work in more flexible conditions, which helps them better manage their personal and professional responsibilities. Employees who can adjust their work schedules according to their personal needs are more likely to feel engaged in and committed to their work [22]. Moreover, the flexi-time policy can also reduce dissatisfaction related to rigid working hours, which often serve as a source of stress and lower motivation.

Employees who feel more empowered by flexible time tend to feel more satisfied with their work and are more motivated to perform better. Flexi-time increases employees' sense of autonomy, which directly contributes to a boost in their intrinsic motivation to work better and stay committed to organizational goals.

H4: Flexi-time has a positive effect on employee motivation.

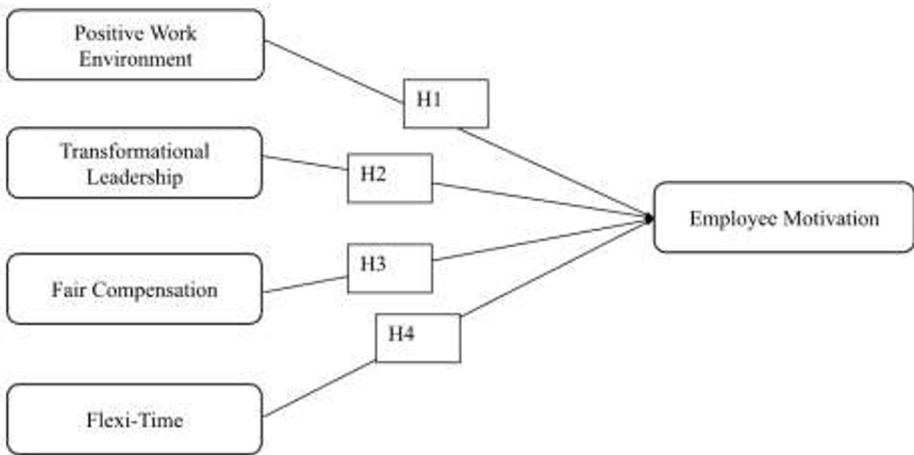


Fig. 1. Conceptual Framework

3 Research Method

This research employs a quantitative methodology through the use of surveys to investigate how the work environment, transformational leadership, compensation, and flexible working hours impact employee motivation. The choice of a quantitative approach allows for objective measurement and statistical evaluation of the relationships among these variables [23]. The study is structured as a causal-explanatory investigation, with the goal of testing hypotheses and elucidating the effects of the independent variables on the dependent variable, which is employee motivation.

The population in this study consisted of employees from various service sector companies in Makassar, particularly those that have implemented flexible working policies. A purposive sampling technique was used to select respondents who had experience working under flexi-time systems and were engaged in organizational environments that reflected transformational leadership and structured compensation

systems. The minimum sample size was determined based on the rule of thumb in Structural Equation Modeling (SEM), which suggests 5–10 times the number of indicators. In this study, a sample of 100 respondents was considered sufficient for the analysis.

Data were gathered through a structured questionnaire that was distributed online via Google Forms. This questionnaire included close-ended questions that were evaluated on a five-point Likert scale, with options ranging from 1 (strongly disagree) to 5 (strongly agree). The questions for each variable were adapted from previously validated research and adjusted to align with the Indonesian organizational context and work culture. Before conducting the main survey, a pilot test involving 30 participants was carried out to confirm the instrument's validity and reliability. The data analysis was performed using Structural Equation Modeling (SEM) with the SmartPLS software.

4 Results

4.1 Data

Data for this study were successfully collected from 121 employees working in various service sector companies in Makassar, Indonesia. The respondents were selected using a purposive sampling method, focusing on individuals who had experience working under flexible working arrangements (flexi-time) and who were familiar with the organizational environment that embodied transformational leadership and structured compensation systems. The survey was distributed through a structured questionnaire using Google Forms, which included questions designed to measure the following key variables: work environment, leadership style, compensation, flexi-time, and employee motivation. A sample size of 121 respondents was deemed sufficient for performing statistical analysis, specifically using Structural Equation Modeling (SEM) to evaluate the relationships between the variables. This sample allowed for diverse representation of the workforce, which helped ensure the reliability and validity of the study findings.

4.2 Instrument Testing Results

Outer Model Analysis. Convergent Validity To assess convergent validity, it is essential that the outer loading values surpass 0.70, and the Average Variance Extracted (AVE) must be more than 0.50. The table below displays the outer loading and AVE values for each indicator of the research variables.

Table 1. Convergent Validity Test Results

Variable	Indicator	Outer Loading	AVE	Description
Positive Work Environment (X1)	X1.1	0.844	0.632	Valid
	X1.2	0.732		Valid

	X1.3	0.795		Valid
	X1.4	0.806		Valid
Transformational Leadership (X2)	X2.1	0.837	0.716	Valid
	X2.2	0.855		Valid
	X2.3	0.903		Valid
	X2.4	0.926		Valid
Fair Compensation (X3)	X3.1	0.912	0.741	Valid
	X3.2	0.815		Valid
	X3.3	0.852		Valid
	X3.4	0.879		Valid
Flexi-Time (X4)	X40.1	0.863	0.71	Valid
	X40.2	0.852		Valid
	X40.3	0.813		Valid
Employee Motivation (Y)	Y1.1	0.759	0.66	Valid
	Y1.2	0.851		Valid
	Y1.3	0.842		Valid
	Y1.4	0.789		Valid

Source: Primary Data (2025)

From the table, it can be observed that the outer loading values and Average Variance Extracted (AVE) for all variables are above the threshold, indicating that the constructs and their respective indicators are valid.

4.3 Hypotheses Test

Table 2. T-statistics and P-values of Hypotheses

Hypothesis	Original Sample (O)	T-Statistic	P-Values	Result
H1 PWE on EM	0.164	2.904	0.004	Accepted
H2 TL on EM	0.163	2.179	0.029	Accepted
H3 FC on EM	0.286	3.575	0.000	Accepted
H4 FT on EM	0.252	4.275	0.000	Accepted

Source: Primary Data (2025)

The findings from hypothesis testing indicated notable positive correlations between the independent variables and employee motivation (EM). Hypothesis 1 (H1), which assesses the influence of a Positive Work Environment (PWE) on Employee Motivation (EM), reveals a path coefficient of 0.164, a T-statistic of 2.904, and a P-value of 0.004, signifying a significant positive impact. In a similar vein, Hypothesis 2 (H2), which investigates the connection between Transformational Leadership (TL) and Employee Motivation (EM), also confirms a positive association, with a path coefficient of 0.163, a T-statistic of 2.179, and a P-value of 0.029, underscoring the importance of transformational leadership in boosting employee motivation. Furthermore, Hypothesis 3 (H3), which examines the role of Fair Compensation (FC) in Employee Motivation (EM), shows the most substantial effect, with a path coefficient of 0.286, a T-statistic

of 3.575, and a P-value of 0.000, affirming the significant impact of fair compensation on employee motivation.

Furthermore, Hypothesis 4 (H4), assessing the influence of Flexi-Time (FT) on Employee Motivation (EM), also shows a significant positive relationship with a path coefficient of 0.252, T-statistic of 4.275, and p-value of 0.000. These results collectively confirm that all four independent variables— positive work environment, transformational leadership, fair compensation, and flexible time —have a significant and positive impact on Employee Motivation. These findings suggest that organizations should focus on fostering a supportive work environment, implementing transformational leadership, ensuring fair compensation, and offering flexible work arrangements to enhance employees' motivation and performance.

5 Discussion

5.1 Overview of the findings and measurement confidence

Using SEM with 121 service-sector employees in Makassar, all hypothesised paths were positive and statistically significant: positive work environment ($\beta = 0.164$; $p = 0.004$), transformational leadership ($\beta = 0.163$; $p = 0.029$), fair compensation ($\beta = 0.286$; $p < 0.001$), and flexi-time ($\beta = 0.252$; $p < 0.001$) predicting employee motivation.

These relationships are interpreted with confidence because the measurement model met standard convergent-validity requirements: indicator loadings exceeded 0.70 and AVE values exceeded 0.50 across constructs.

A notable pattern is the relative strength of effects: fair compensation was the strongest predictor, followed by flexi-time, while work environment and transformational leadership showed smaller but still meaningful coefficients.

This ordering suggests that, in the sampled service context, motivation is shaped by a portfolio of organisational conditions, with economic fairness and temporal autonomy standing out as the most salient levers.

5.2 Interpreting the results through Herzberg's Two-Factor Theory

The study positions Herzberg's Two-Factor Theory as the core explanatory lens, distinguishing hygiene factors (conditions that prevent dissatisfaction) from motivators (factors that elevate intrinsic motivation).

In your conceptualisation, work environment and compensation were framed primarily as hygiene factors, while transformational leadership was positioned as a motivator, and flexi-time was argued to reduce dissatisfaction while also strengthening intrinsic motivation via autonomy and work-life balance.

Your empirical results are broadly consistent with that logic: the "baseline" factors (work environment and compensation) and the "energising" factors (leadership and flexibility) each contributed significantly to motivation, implying that organisations cannot rely on a single intervention.

This supports a key implication of Herzberg's theory in contemporary settings: preventing dissatisfaction (through fair pay and acceptable conditions) and actively

building intrinsic drive (through empowerment and autonomy) should be treated as complementary, not substitutable.

5.3 Positive work environment and motivation (H1)

The positive effect of work environment on motivation (H1) supports prior arguments that physical and social workplace conditions shape well-being and attitudes, which then influence performance-related outcomes.

In your literature positioning, a supportive environment offers safety, resources, and an inclusive climate, enabling employees to focus on tasks rather than cope with negative contextual stressors.

This aligns with earlier work emphasising motivational and satisfaction benefits of supportive conditions [4] and more recent discussions linking harmful environments to negative employee outcomes [7].

The comparatively smaller coefficient (relative to pay and flexi-time) can be read as consistent with a “hygiene baseline” mechanism: improving workplace conditions reduces dissatisfaction and stabilises motivation, but additional gains may require stronger intrinsic drivers and exchange-based signals of fairness. This interpretation matches your own framing that work environment is necessary for a solid baseline but insufficient by itself to maximise intrinsic motivation.

5.4 Transformational leadership and motivation (H2)

Transformational leadership significantly predicted motivation (H2), consistent with the idea that inspirational vision, empowerment, and individual development operate as intrinsic motivators.

Your theoretical narrative emphasises that transformational leaders strengthen engagement and commitment by providing recognition, challenge, and growth opportunities.

This is directionally aligned with evidence that transformational leadership enhances satisfaction and internal employee outcomes [5], supports engagement-related processes [11], and promotes self-determined motivation and engagement [17].

The modest magnitude relative to compensation and flexi-time may reflect the service-sector reality that leadership influence is often mediated by day-to-day work design, reward systems, and perceived organisational support. In other words, transformational leadership may be necessary to sustain intrinsic drive, but its motivational payoff becomes more visible when paired with fair exchange signals and autonomy-supportive work policies.

5.5 Fair compensation showed the strongest association with motivation (H3).

This reinforces your argument that pay and rewards remain a fundamental driver of extrinsic motivation and a crucial hygiene factor preventing dissatisfaction.

It also coheres with the broader motivation literature referenced in your introduction, which highlights the continuing importance of intrinsic and extrinsic motivation for

organisational outcomes [2], and empirical work showing compensation and salary-related factors shaping employee motivation [3].

From a mechanism standpoint, the strength of the compensation path can be interpreted through fairness and value recognition: employees who perceive compensation as fair and competitive are more likely to reciprocate with higher effort and stronger goal focus, as you propose in the hypothesis development.

At the same time, your manuscript rightly cautions that pay alone may not sustain long-term motivation without non-financial motivators such as recognition and development.

This aligns with the perspective that the relationship between pay and intrinsic motivation can be complex, and should be managed carefully through transparent, performance-linked, and development-supportive reward architectures [20].

5.6 Flexi-time and motivation (H4)

Flexi-time had the second-strongest effect on motivation (H4), indicating that time autonomy is highly salient for employees in this context.

Your conceptual framing argues that flexi-time enhances work-life balance, reduces stress linked to rigid schedules, and increases intrinsic motivation by strengthening autonomy and perceived empowerment.

This is consistent with prior work on time-spatial flexibility and work-life balance [21] and the broader proposition that flexible hours can shape employee outcomes through altered constraints and improved fit between work and non-work demands [22].

In a service-sector environment, flexibility can be especially motivating because it helps employees manage variable customer demands and personal responsibilities without experiencing continuous time pressure. Practically, the result implies that flexi-time is not merely a benefit, but a structural job design element that can activate intrinsic motivation when employees experience genuine control and trust.

5.7 Integrated interpretation and implications

Taken together, your findings support a holistic model of motivation where (1) hygiene factors provide stability and perceived fairness, while (2) motivators and autonomy-supportive practices elevate intrinsic drive and engagement.

The dominance of compensation and flexi-time suggests that “fair exchange” and “autonomy over time” are particularly influential in the current Makassar service context, while work environment and leadership remain important supporting conditions that sustain motivation and enable these key levers to work effectively.

From a managerial standpoint, the coefficient ordering implies prioritisation: organisations seeking fast, material improvements in motivation should first ensure compensation fairness and implement credible flexi-time, then reinforce these gains through continued investment in supportive environments and transformational leadership capability.

This sequencing also mitigates a common implementation risk: leadership programmes and culture initiatives may underperform if employees perceive pay practices as unfair or if rigid scheduling continues to generate dissatisfaction.

5.8 Boundary conditions and directions for future research

Your manuscript acknowledges limits that shape how the results should be generalised, including the focus on a single city and service sector, and the modelling of direct effects only (without mediators or moderators).

Building on this, future work could explicitly test mediation pathways proposed in the literature you already cite, such as engagement [11], psychological empowerment and intrinsic motivation mechanisms linked to transformational leadership [13], and work-life balance processes for flexibility policies [21].

6 Conclusion

This study demonstrates the significant impact of the work environment, transformational leadership, fair compensation, and flexi-time on employee motivation. The results confirm that all four independent variables have positive and significant effects on employee motivation in the service sector. Specifically, fair compensation was found to have the strongest influence on employee motivation, followed by flexibility, the work environment, and transformational leadership. These findings highlight the importance of a holistic approach to employee motivation, where both hygiene factors (such as the work environment and compensation) and motivator factors (such as leadership style and flexi-time policies) play a crucial role in fostering a motivated and engaged workforce.

However, this study has several limitations that should be considered. First, the sample was limited to employees in the service sector in Makassar, Indonesia, which may limit the generalizability of the results to other industries and geographical locations. Second, this study only examined the direct effects of the variables without considering other factors that might moderate or mediate the relationship between the independent variables and employee motivation. Future research should expand the sample to include a broader range of industries and locations, and explore potential moderating or mediating variables, such as organizational culture or long-term job satisfaction, which may play a role in these relationships.

Organizations are advised to focus on creating a positive work environment, adopting transformational leadership styles, offering fair compensation, and implementing flexible working hours as part of their human resource strategies. These factors not only prevent dissatisfaction, but also promote intrinsic motivation, increase employee engagement, and ultimately improve organizational performance. This study provides valuable insights for practitioners and HR managers to optimize their workforce management and unlock the full potential of their employees.

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