# The Influence of Online Customer Reviews on the Purchase Decision of Room Services at Turi Beach Resort Batam

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| Article Info | ABSTRACT |
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| | In the digital era, online customer reviews have become a critical factor influencing consumer behavior, particularly in the hospitality industry where service quality and trust are decisive. This study aims to analyze the influence of online customer reviews on purchase decisions for room services at Turi Beach Resort Batam, one of the leading resorts in Indonesia's border tourism area. Employing a quantitative approach, data were collected from 100 guests who made reservations through online travel agents (OTAs) and digital platforms. The data were analyzed using regression analysis to test the significance of the relationship between online customer reviews and purchase decisions. The results indicate that online customer reviews have a strong and significant positive effect on the purchase decision of room services, with an $R^2$ value of 0.646 and a p-value < 0.001. These findings highlight that potential customers perceive online reviews as a reliable source of information that reduces uncertainty and enhances confidence in their booking decisions. The study underscores the importance for hospitality managers to actively monitor, manage, and respond to online reviews as part of their digital marketing and reputation management strategies. This research contributes to the growing literature on electronic word-of-mouth (e-WOM) and consumer decision-making in the hospitality sector, while also offering practical implications for resort operators seeking to strengthen competitiveness through digital engagement. |

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## 1. INTRODUCTION

The hospitality industry has become one of the fastest-growing sectors, significantly contributing to tourism development and regional economic growth. Employee performance is considered a critical determinant of organizational success in this sector, as it directly influences customer satisfaction, service quality, and long-term competitiveness [1]. In the context of human resource management, compensation and benefits are among the most essential factors shaping employee motivation and retention. Compensation, which encompasses salary, incentives, and performance-based rewards, has been shown to influence employee productivity and organizational commitment [2]. Likewise, benefits such as health coverage, career development opportunities, and welfare programs play a pivotal role in improving employee satisfaction and reducing turnover intention [3].

Despite extensive research, empirical findings on the impact of compensation and benefits on employee performance remain inconsistent. Some studies emphasize a positive and significant effect of financial rewards on performance outcomes [4], while others argue that non-financial factors such as leadership style, organizational culture, and employee engagement have stronger influences [5]. This inconsistency highlights the need for more context-specific studies, particularly in emerging economies where hospitality businesses face unique challenges in balancing competitive service standards with employee welfare [6].

In Indonesia, the rapid expansion of the hospitality sector, particularly in strategic locations such as Batam, has created increasing demands for highly productive employees. However, hotels in this region

often face challenges related to turnover, low retention, and dissatisfaction with compensation structures [7]. Given these issues, it is essential to investigate how compensation and benefits influence employee performance in the Indonesian hospitality context. This study focuses on Aston Batam Hotel and Residence as a case study, aiming to examine whether compensation and benefits significantly affect employee performance. The findings are expected to contribute both theoretically, by addressing gaps in existing literature, and practically, by providing insights for hotel management in designing more effective human resource strategies.

## 2. METHOD

This study employed a quantitative explanatory research design to examine the effect of compensation and benefits on employee performance at Aston Batam Hotel and Residence. The population consisted of all hotel employees, and the sampling technique used was purposive sampling with 82 respondents deemed representative of the target group. Data were collected through a structured questionnaire using a Likert scale to measure perceptions of compensation, benefits, and employee performance. Prior to hypothesis testing, the research instrument was assessed for validity and reliability to ensure measurement accuracy. Data analysis was conducted using SPSS version 26, including descriptive statistics, classical assumption tests (normality, heteroscedasticity, and multicollinearity), and multiple linear regression to test the hypotheses. This methodological approach is consistent with prior studies in hospitality research that emphasize the importance of quantitative modeling to identify causal relationships among human resource variables [8], [9].

## 3. RESULTS AND DISCUSSION

### 3.1. Result

#### 3.1.1. Respondent Demographics

The demographic characteristics of the respondents provide an overview of the employee profile at Aston Batam Hotel and Residence. Based on the data collected from 82 respondents, the majority were male (56.1%), while female employees accounted for 43.9%, indicating a relatively balanced gender composition. In terms of age, most respondents were between 26–35 years (47.6%), followed by 18–25 years (28.0%), 36–45 years (17.1%), and above 45 years (7.3%), reflecting a predominantly young workforce. Regarding education, employees with a diploma (D3) degree represented the largest group (42.7%), followed by bachelor's degree holders (34.1%), high school graduates (19.5%), and those with postgraduate education (3.7%), highlighting the hotel's reliance on skilled and semi-skilled labor. In terms of length of service, the majority had worked for 1–5 years (52.4%), while others had less than 1 year (15.9%), 6–10 years (19.5%), and more than 10 years (12.2%), suggesting moderate employee retention. Lastly, job positions were dominated by operational staff (64.6%), with the remainder consisting of supervisors (20.7%) and managerial-level employees (14.7%). These demographic patterns indicate that the workforce is relatively young, moderately experienced, and predominantly engaged in operational roles.

Table 1. Respondent Demographics

| Demographic Variable | Category | Frequency (n=82) | Percentage (%) |
|---|---|---|---|
| Gender | Male | 46 | 56.1 |
| | Female | 36 | 43.9 |
| Age (years) | 18–25 | 23 | 28.0 |
| | 26–35 | 39 | 47.6 |
| | 36–45 | 14 | 17.1 |
| | >45 | 6 | 7.3 |
| Education | High School | 16 | 19.5 |
| | Diploma (D3) | 35 | 42.7 |
| | Bachelor's Degree | 28 | 34.1 |
| | Postgraduate | 3 | 3.7 |
| Length of Service | <1 year | 13 | 15.9 |
| | 1–5 years | 43 | 52.4 |

| Demographic Variable | Category | Frequency (n=82) | Percentage (%) |
|---|---|---|---|
| | 6–10 years | 16 | 19.5 |
| | >10 years | 10 | 12.2 |
| Job Position | Operational Staff | 53 | 64.6 |
| | Supervisor | 17 | 20.7 |
| | Managerial | 12 | 14.7 |

### 3.1.2. Descriptive Statistics of Variables

The descriptive analysis of research variables reveals the perceptions of employees regarding compensation, benefits, and performance at Aston Batam Hotel and Residence. For the compensation variable (X1), the overall average score is 3.50 with a respondent achievement rate (TCR) of 70%, which falls into the good category, indicating that pay level and reward mechanisms are perceived positively, although individual pay and fairness aspects remain relatively low. The benefits variable (X2) records an average score of 2.75 with a TCR of 55%, categorized as sufficient, showing that employees consider the benefits provided to be less comprehensive and less aligned with their work needs. Meanwhile, the employee performance variable (Y) achieves an average score of 3.87 with a TCR of 77%, which is categorized as good, suggesting that employees demonstrate strong discipline, responsibility, attitudes, and competencies in their roles. These findings highlight that while compensation and performance are perceived relatively well, the benefits system remains an area requiring significant improvement to enhance overall employee satisfaction and effectiveness.

Table 2. Descriptive Statistics of Research Variables

| Variable | Indicator | Mean | TCR (%) | Category |
|---|---|---|---|---|
| Compensation (X1) | Pay Level | 4.55 | 91 | Very Good |
| | Pay Structure | 4.05 | 81 | Good |
| | Individual Pay | 2.56 | 51 | Poor |
| | Perceived Fairness | 2.73 | 55 | Fair |
| | Performance-Based Reward | 3.60 | 72 | Good |
| Benefits (X2) | Benefit Comprehensiveness | 2.60 | 52 | Poor |
| | Benefit Relevance to Work Needs | 2.79 | 56 | Fair |
| | Flexibility of Benefit Programs | 2.66 | 53 | Fair |
| | Benefit Impact on Employee Retention | 2.93 | 59 | Fair |
| | Cost Effectiveness of Benefits | 2.76 | 55 | Fair |
| Employee Performance (Y) | Discipline | 3.99 | 80 | Good |
| | Responsibility | 3.95 | 79 | Good |
| | Attitude | 3.68 | 74 | Good |
| | Competence | 3.85 | 77 | Good |

### 3.1.3. Validity and Reliability Testing

The validity and reliability tests were conducted to ensure the accuracy and consistency of the research instrument used in measuring compensation, benefits, and employee performance. The validity test was carried out using item-total correlation analysis, with results showing that all indicators exceeded the minimum correlation threshold of 0.30, thereby confirming that each item is valid for representing its respective construct. Furthermore, the reliability test was conducted using Cronbach's Alpha, and the findings indicate that the compensation variable achieved an alpha value of 0.812, the benefits variable scored 0.796, and the employee performance variable obtained 0.825. Since all values are above the recommended threshold of 0.70, the instrument can be considered reliable. These results confirm that the research instrument is both valid and reliable, thus ensuring robustness for further statistical analysis.

Table 3. Validity and Reliability Testing Results

| Variable | Number of Items | Validity Result (r > 0.30) | Cronbach's Alpha | Reliability Status |
|---|---|---|---|---|
| Compensation (X1) | 5 | All valid | 0.812 | Reliable |
| Benefits (X2) | 5 | All valid | 0.796 | Reliable |
| Employee Performance (Y) | 4 | All valid | 0.825 | Reliable |

### 3.1.4. Assumption Testing

To ensure the robustness of regression analysis, classical assumption tests were conducted, including normality, heteroscedasticity, and multicollinearity. The normality test was performed using the One-Sample Kolmogorov–Smirnov method, which produced a test statistic of 0.071 with a significance value of 0.200. Since the significance level exceeds 0.05, the residuals are normally distributed, indicating that the regression model fulfills the normality assumption. The heteroscedasticity test was conducted using the Glejser method, and the results show that the significance values for compensation (0.236) and benefits (0.994) are above the 0.05 threshold, suggesting that the model is free from heteroscedasticity. Furthermore, the multicollinearity test revealed tolerance values of 0.408 and Variance Inflation Factor (VIF) values of 2.454 for both compensation and benefits. These results meet the criteria of tolerance > 0.10 and VIF < 10, confirming that there is no multicollinearity problem. Overall, the results indicate that the regression model satisfies the assumptions of normality, homoscedasticity, and absence of multicollinearity, ensuring its appropriateness for further hypothesis testing.

Table 4. One-Sample Kolmogorov–Smirnov Normality Test Results

| N | Mean | Std. Deviation | Test Statistic | Asymp. Sig. (2-tailed) | Conclusion |
|---|---|---|---|---|---|
| 82 | 0.000000 | 1.73139757 | 0.071 | 0.200 | Normal distribution |

Table 5. Heteroscedasticity Test (Glejser Method)

| Variable | Coefficient (B) | Std. Error | t | Sig. | Conclusion |
|---|---|---|---|---|---|
| Constant | -0.563 | 1.292 | -0.436 | 0.664 | — |
| Compensation | 0.055 | 0.046 | 1.193 | 0.236 | No Heteroscedasticity |
| Benefit | 0.000 | 0.017 | -0.008 | 0.994 | No Heteroscedasticity |

Table 6. Multicollinearity Test Results

| Variable | Coefficient (B) | Std. Error | Beta | t | Sig. | Tolerance | VIF | Conclusion |
|---|---|---|---|---|---|---|---|---|
| Compensation | 0.120 | 0.076 | 0.273 | 1.576 | 0.119 | 0.408 | 2.454 | No Multicollinearity |
| Benefit | -0.034 | 0.028 | -0.207 | -1.192 | 0.237 | 0.408 | 2.454 | No Multicollinearity |

### 3.1.5. Hypothesis Test

The analysis of the effect of Online Customer Review (OCR) on Purchase Decision shows that the model has an $R^2$ value of 0.646 with a significance level (p-value) < 0.001. This result indicates that OCR has a strong positive and significant influence on purchase decision, explaining 64.6% of the variance in consumer decisions, while the remaining 35.4% is determined by other factors not included in the model. These findings confirm that customer-generated online reviews are an important determinant in shaping consumer purchase behavior in the hospitality context.

Table 7. Hypothesis Testing Result

| Model | $R^2$ | p-value | Interpretation |
|---|---|---|---|
| OCR → Purchase Decision | 0.646 | < 0.001 | Positive and significant influence |

### 3.2. Discussion

The findings of this study reveal that compensation and benefits do not have a significant influence on employee performance at Aston Batam Hotel and Residence. The regression analysis indicates that these two variables only explain 3% of the variance in employee performance ($R^2 = 0.030$), while the remaining 97% is attributed to other factors, including leadership style, organizational culture, employee motivation, and work environment. This suggests that although compensation and benefits are traditionally considered critical drivers of performance, their direct influence may be limited in the hospitality sector, where intangible factors often play a more decisive role [10].

These results partially diverge from the dominant view in human resource management literature, which emphasizes the positive association between compensation and employee performance. For instance, Amah and Oyetuunde [10] found that competitive pay structures enhance commitment and long-term employee outcomes in service firms. However, the present study shows that compensation alone does not significantly affect performance. This finding aligns with Karatepe and Olugbade [11], who demonstrated that intrinsic motivation and work engagement exert stronger effects on employee outcomes compared to extrinsic financial rewards. Thus, employee performance in the hospitality industry may rely more on psychological and relational resources than on tangible compensation systems.

In addition, the results highlight that benefits also do not significantly predict performance, despite their role in employee satisfaction and retention reported in prior research. Paek et al. [12] underscored that while benefits such as career development and work-life balance support influence job satisfaction, they may not directly translate into measurable performance outcomes unless combined with managerial support and organizational culture. This underscores the mediating role of job satisfaction and engagement, suggesting that benefits act indirectly rather than directly in shaping performance.

Another explanation for the insignificance of compensation and benefits is the nature of the hospitality industry itself, which is characterized by high service intensity, emotional labor, and customer orientation. Gupta and Sharma [13] emphasized that organizational culture and leadership often have a stronger effect on performance than financial incentives. Similarly, recent studies highlight that employee empowerment, recognition, and training are more effective in enhancing service delivery quality compared to purely monetary rewards [14]. Therefore, focusing solely on compensation packages without addressing non-financial motivators may fail to capture the key determinants of performance.

From a theoretical standpoint, these findings provide evidence supporting the resource-based view (RBV), which argues that sustainable competitive advantage arises not only from financial resources but also from unique, intangible assets such as culture, skills, and employee engagement [15]. The fact that compensation and benefits did not emerge as significant predictors suggests that hotels must leverage non-financial resources to strengthen employee contributions. Practically, this implies that management should adopt a holistic HR strategy that integrates fair compensation with non-monetary initiatives such as professional development, supportive leadership, and recognition systems.

Finally, this study has implications for practitioners in the hospitality sector. Hotel managers should recognize that while compensation and benefits remain important for retaining employees, they are insufficient to drive performance improvements in isolation. Instead, efforts should be directed towards fostering a supportive organizational culture, strengthening communication, and providing career growth opportunities. This integrated approach is more likely to sustain motivation and enhance employee service performance, thereby improving customer satisfaction and long-term organizational competitiveness [16].

### 4. CONCLUSION

This study concludes that compensation and benefits do not have a significant effect on employee performance at Aston Batam Hotel and Residence, as indicated by the low explanatory power of the regression model. Although both factors are often regarded as important determinants in human resource management, their role in this context appears limited, suggesting that employee performance is more strongly influenced by non-financial aspects such as organizational culture, leadership, motivation, and work environment. These findings imply that hotel management should not solely rely on compensation and benefits to enhance employee outcomes but rather adopt a more holistic approach by integrating fair remuneration with supportive leadership, training, empowerment, and recognition systems. Such an

integrated strategy is essential to foster employee engagement, improve service delivery, and sustain long-term organizational competitiveness in the hospitality industry.

## ACKNOWLEDGMENTS

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