

## CHAPTER I

### INTRODUCTION

#### A. Background

The tourism sector has deeply felt the Covid-19 pandemic that has hit Indonesia for over two years. As a service industry, this sector has been hit the hardest because it involves many people who meet each other or are in close contact. The government's PPKM (*Pemberlakuan Pembatasan Kegiatan Masyarakat*) policies require all sectors to implement these policies to suppress the rate of movement of the spread of the Covid-19 virus. The leader factor is an important thing that must be considered because it can have a major impact on sustainability in times of crisis like this. Recovery efforts in a slump are not only through marketing the tourism sector but also through human resources for employees in the tourism sector. The crisis experienced also encouraged the tourism sector to improve the quality of human resource management in its environment because visitor services were the main point in the tourism sector.

Leadership is the process of influencing, inspiring, motivating people, and building a team so that it's more effective in achieving the goals of an organization's vision. According to Gandolfi & Stone (2018), the combination of five components results in a powerful working definition of leadership: I there must be

one or more leaders, (ii) leadership must have followers, (iii) leadership must be action-oriented with a legitimate (iv) course of action, and (v) goals and objectives. Leadership in organizations has an increasingly strategic role in moving people. *Leadership* is the process by which a leader influences others to know, understand and agree on what to do and how to do it (Tjahjono et al., 2018). Therefore, to deal with changes in organizational and leadership contexts, competitiveness cannot be maintained with traditional management techniques. Today's workers have different expectations of them as well. Employees need to be both technically proficient and more creative to deal with new technologies. Therefore, leaders must entice and encourage employees (reward, recognize, and keep them), and educate, train, and boost output. Learning organizations will develop due to leaders meeting changing demands and employee expectations. Numerous studies demonstrate how crucial part leaders play in improving organizational success. One of the most crucial aspects of an organization's ability to innovate and adapt to change is its leadership style (Thahira et al., 2020).

According to Zhang (2010), First, an empowering leader tends to increase the meaning of work by assisting an employee in understanding the significance of his or her contribution to the firm's overall performance. Second, an inspiring leader communicates faith in an employee's ability and potential for success. Third, an inspiring leader gives employees liberty and opportunities for self-determination by allowing them to choose how they want to do their jobs. Finally, an empowered

leader encourages employees to take part in decision-making. This approach may provide an employee with a greater sense of control over his or her current work circumstances, and a greater awareness that their actions might affect work outcomes, enhancing the sense of influence. Individuals will be organically driven to work on the job due to empowering leader conduct, which is defined by their interest in their work, a proclivity to seek out new things and challenges to grow and train their capabilities while exploring curiosity and learning (Syahrul, 2020).

Empowerment leadership, according to Amundsen & Martinsen (2014), is a leader behavior that influences employee performance by providing autonomous support (delegation, coordination, information sharing, initiative, motivating, focusing on goals, and self-efficacy support) and supporting development (inspiring, modeling, and guidance). As a result, leaders who empower their people are expected to improve intrinsic motivation in their employees, allowing them to work effectively toward organizational goals.

*Psychological empowerment* is defined as a psychological condition or collection of beliefs that have been experienced (Zhang, 2010). Psychological empowerment is a necessary but insufficient prerequisite for dealing with independent work positions; the employee must also develop self-leadership skills. Employees' ability to lead themselves is referred to as the "heart of empowerment." (Amundsen & Martinsen, 2014). Meaning, competence, self-determination, and influence are four cognitions

that describe psychological empowerment. These four cognitions show an active, rather than a passive, approach to a job function (Spreitzer, 1995).

Motivation is a key factor in one's ability to perform well. According to Fry (2003), Intrinsic motivation is described as a person's interest in and pleasure in a work for its purpose. It is linked to active participation in tasks that individuals find fascinating and enjoyable and that, in turn, foster growth and meet higher-order demands. Intrinsic motivation has been linked to improved learning, performance, and overall well-being. An employee acts to achieve their reward or satisfaction because there is a process he wants to enjoy even considers an opportunity and also explores new things/ideas. Actions are considered important, where the person has control to participate in an activity because of the individual's willingness or interest. The individual appreciates the work of nurturing, developing, and satisfying himself, identifying potential and exploring abilities.

Zhang (2010) states, an intrinsic motivation describes how a person is internally directed, interested in, or intrigued by a task, and engages in it for the activity itself. The inspiration that comes from within "distinguishes between what a person is competent of and what a person will do." Intrinsically motivated employees are more likely to generate high-quality work, complete assignments on schedule, meet difficulties, and achieve task perfection. This might occur due to an internal desire to test his talents or even to meet a goal he has set for himself. Autonomy, competence, and relatedness also represent intrinsic motivation at work. In the

workplace, intrinsic motivation necessitates some level of autonomy or self-management. Competence is a feeling or sense of craftsmanship or artistry in work completion, indicating that one responds well to task conditions, masters the task or related activities, and is confident in managing similar tasks in the future. To the degree that there is an internally perceived locus of causation, task performance is under one's control, and he or she feels free to expend extra effort in following their inner interests, autonomy tends to promote intrinsic motivation. Intrinsic motivation will also thrive in environments that foster a sense of safe relatedness, particularly when essential persons in the work setting are perceived as warm and compassionate (Fry, 2003). The job's intrinsic qualities or content are some of the employment features that relate to the motivator factor. Achievement, advancement, the work itself, recognition, and growth are a few of them (Pangesti et al., 2013).

The hotel industry was chosen for this study because tourism is a significant and highly competitive industry constantly changing. The hotel business is important because it is necessary for develop of the remaining services required of a tourism destination and because it accounts for a significant portion of overall visitor spending. In the supply of tourist accommodations, service is an essential component. The use of technology assets, like in other service industries, is critical to attaining service efficiency and improving service output. Innovation entails the adoption of technological advancements in areas, departments, and services that are critical to the provision of services control processes, such as quality control and environmental

management, computer equipment, information and telecommunications technologies, kitchens, food and beverage service, rooms, and maintenance, as well as cost savings in utilities, security, and cleaning and laundry service (Martínez-Ros & Orfila-Sintes, 2009). Consumers use expectations as a yardstick to evaluate their experience with a product or service. Equitable performance, ideal product or service performance, experienced-based norms, relationship quality, and pricing are all examples of pre-experience comparison standards (Barsky, 1992).

Hotel management always improves the quality of excellent human resources to provide guest pleasure. Employee work success is critical for achieving optimum performance and surviving in a competitive corporate environment. Because of the intense rivalry in the hospitality industry, every hotel management party constantly looks for methods to improve the business. The hotel industry is a service industry; practically all hotels have nearly identical amenities; the distinction is in each hotel's culture and service quality. The job performance of employees has an impact on a company's success. Employees are a valuable resource for the firm because they possess the skill, enthusiasm, and innovation needed to fulfill its objectives. Ability and motivational variables have an impact on performance. The support and motivation of the leader greatly influence the employees to work optimally. Management must always improve the quality of service as best as possible, therefore, improvements are still needed in terms of management governance and improvement of human resources.

Gadjah Mada University Club (UC) Hotel and Pandanaran Hotel Prawirotaman Yogyakarta as part of the Yogyakarta business hotel. Gadjah Mada University Club (UC) Hotel is a 3-star hotel, but the service at the hotel is not inferior to the well-known hotels in Yogyakarta. Personnel strives to give excellent service and comfort to tourists, particularly those staying at the Gadjah Mada University Club (UC) Hotel. Several visitor evaluations of the Gadjah Mada University Club (UC) Hotel stated that guests were pleased with the hotel's services, including courteous staff, good room cleanliness, a clean and comfortable environment, appropriate amenities, ensured health precautions, and the distribution of hand sanitizers throughout the pandemic. This may be evident in enhanced staff performance, as well as hotel visitors' satisfaction with the hotel's offerings, which range from adequate amenities to good and courteous employee service based on a review in booking.com, 8,6 rating based in Traveloka guest review, based on google review Gadjah Mada University Club (UC) Hotel getting 4.4 ratings, for 3-star hotels in the last few months visitors rate if they feel the hotel rooms are clean and comfortable, the customer service is friendly and helpful, the facilities function well, the food is delicious. Based on Agoda, the visitor gives 7.6/10 which means is a very good hotel, the visitor gives each review for any item to Gadjah Mada University Club (UC) Hotel, for cleanliness 7.3, for the location has 8.3, for service 7.8, for facilities 7.1, for comfortable room 7.2, for price and quality 7.6. Based on the information above, Gadjah Mada University Club (UC) Hotel even with a 3-star rating but most visitors are satisfied

with the service, facilities, location, cleanliness of the hotel rooms, price, and quality, getting a fairly good rating.

Pandanaran Hotel Prawirotaman Yogyakarta is a 3-star, with various complete facilities available. High-speed Wi-Fi throughout the hotel area and in 116 rooms, Kedung Roso Restaurant, Seruni Sky Lounge, Room Service, Laundry, Spa, and Swimming Pool complete with sun deck for sunbathing. Pandanaran Hotel Prawirotaman Yogyakarta also has various types of rooms to suit your needs and budget. With the Pakoeboewono Ballroom and several meeting rooms with various capacities, you can get all your needs for meetings, receptions, marriage contracts, and teleconference needs at Pandanaran Hotel Prawirotaman Yogyakarta. Some reviews from tiket.com Pandanaran Hotel Prawirotaman Yogyakarta get a good rating of 4.0 out of 5, Traveloka get an impressive review of 8.3 out of 10, in Google Reviews get a score of 4.3 which means very good, in Booking.com get a score of 7.1 which means good, in Trip.com gets a score of 4.2 out of 5 which means good, in Hotel.com Pandanaran hotel gets a score of 7.6 out of 10 which means good. Based on the information above, Pandanaran Hotel Prawirotaman Yogyakarta even has a 3-star rating. However most visitors are satisfied with the service, facilities, location, cleanliness of the hotel rooms, price, and quality, getting a fairly good ratings.

The crisis due to the Covid-19 pandemic in Yogyakarta forced Gadjah Mada University Club (UC) Hotel and Pandanaran Hotel Prawirotaman Yogyakarta to be able to adapt and transform with crisis conditions by improving the service quality of



each hotel's employees, judging from reviews on several sources such as on the Traveloka website, Google review, Agoda, Booking.com, Hotel.com, Tiket.com, Trip.com Gadjah Mada University Club (UC) Hotel and Pandanaran Hotel Prawirotaman Yogyakarta received quite satisfactory reviews from staying visitors, adequate facilities, ranging from the cleanliness of the hotel rooms, the friendliness of the employees, to the health protocols provided.

Based on the description above, researchers want to know employees' intrinsic motivation through this research. So, the researcher is interested in taking the title of the research “The Relationship of Empowering Leadership on Intrinsic Motivation: The Role of Psychological Empowerment as A Mediation”

### **B. Research Question**

Based on a number of issues that have been identified, the formulation of the problems that will be studied in this study are:

1. Does empowerment leadership have a positive effect on the psychological empowerment of employees at Gadjah Mada University Club (UC) Hotel and Pandanaran Hotel Prawirotaman Yogyakarta?
2. Does empowerment leadership significantly influence employee intrinsic motivation at Gadjah Mada University Club (UC) Hotel and Pandanaran Hotel Prawirotaman Yogyakarta?

3. Does psychological empowerment significantly influence the intrinsic motivation of employees at Gadjah Mada University Club (UC) Hotel and Pandanaran Hotel Prawirotaman Yogyakarta?
4. Does empowerment leadership affect intrinsic motivation through psychological empowerment as an intervening variable at Gadjah Mada University Club (UC) Hotel and Pandanaran Hotel Prawirotaman Yogyakarta?

### **C. Research Objectives**

1. To examine whether empowerment leadership has a significant effect on psychological empowerment of employees at Gadjah Mada University Club (UC) Hotel and Pandanaran Hotel Prawirotaman Yogyakarta
2. To examine whether empowerment leadership has a significant effect on intrinsic motivation of employees at Gadjah Mada University Club (UC) Hotel and Pandanaran Hotel Prawirotaman Yogyakarta
3. To examine whether psychological empowerment has an effect on significantly intrinsic motivation of employees at Gadjah Mada University Club (UC) Hotel and Pandanaran Hotel Prawirotaman Yogyakarta
4. To examine whether empowerment leadership has an effect on intrinsic motivation through psychological empowerment as an intervening variable

## **D. Research Benefits**

### 1. Theoretical

The research can be utilized as a reference and source of information in order to have a better understanding of the impact of empowering leadership, intrinsic motivation, and psychological empowerment as mediators in an agency or organization. with the goal of providing and improving human resource empowerment through participation and positive and constructive information for leaders and managers

### 2. Practitioners

The findings of this study are likely to be valuable to a variety of parties, including:

#### a) For Researchers

to add insight and information for researchers in understanding the style of empowering leadership and psychological empowerment on intrinsic motivation and to develop human resource management knowledge within a company.

#### b) For government agencies and organizations

as input or additional information for government agencies and organizations, especially leaders and managers or other interested parties so that they can establish and continue to implement policies regarding empowering

leadership styles and psychological empowerment on intrinsic motivation in the company.

c) For development the of knowledge

of this research can be used as a reference for more in-depth research, especially for research with topics around empowering leadership styles, intrinsic motivation, and psychological empowerment.