Self-Efficacy, Motivation, and Employee Performance in Hospitality Industry: A Mediation Analysis

Daniel Yudistya Wardhana1*, Harsono2
1,2 Department Management, Faculty of Business and Economics, Universitas Atma Jaya, Yogyakarta

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Abstract
It is hypothesized in several research that that times of crisis and turbulence can lead to considerable changes in how organizations, especially those in the inherently volatile tourism industry, manage their strategies. This research primarily aimed to investigate the relationship between self-efficacy and employee performance, with an emphasis on the intermediary role of motivation in a hospitality companies located in Yogyakarta, Indonesia. To fulfil this aim, a quantitative approach was adopted, involving a survey distributed to a group of 100 employees. The gathered data was then examined using Partial Least Square-Structural Equation Model (PLS_SEM) to determine the effect of each variable. The results of the study indicated that Self-Efficacy had significant influence on Motivation and Performance. Also, the results that the indirect path of self-efficacy, motivation and performance is significant and positive and classified as partial mediation. This research offers practical implications for the tourism industry particularly in terms of how effective the management of tourism companies, as business stakeholders maintain their employee’s performance effectively through real implementation particularly during periods of crisis.

Key Words: Self Efficacy, Employee Performance, Motivation, Hospitality Industry

JEL Classification: J2, J29, J240, J280

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Corresponding author: Daniel Yudistya Wardhana (yudistya.wardhana@uajy.ac.id)

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1. Introduction
The tourism industry is currently experiencing a prolonged period of crisis, with numerous factors contributing to this situation. These include climate change and natural disasters, the worldwide recession, political uncertainty, and terrorist threats. Destinations that are particularly susceptible to these impacts are experiencing significant challenges across all sectors of their economy. (Dahles & Susilowati, 2015). The ongoing global Covid-19 pandemic has precipitated the most significant crisis and challenge humanity has faced since the Second World War. (Estiri et al., 2022). The sudden decline in the tourism industry has been the most severely impacted, particularly in terms of international demand (Gössling et al., 2020).
However, the tourism industry has demonstrated greater resilience to various crises that affect tourism are specific in duration and location and occur at identifiable times. (Hall, 2010).

This study recognized several potential research problems in terms of human resources in hospitality industry. Bundy et al. (2017) asserted A crisis is defined as an event that has a significant impact on an organization, is unexpected, and has the potential to disrupt the organization’s goals and have a profound impact on its financial performance, reputation, and relationship with their stakeholders. The constant changes on the workplace, particularly in technology and creativity in new products and services, require organizations to rethink how they treat their people (Ackah, 2014b). In the context of turbulent or crisis periods, it is evident that courage and conviction are essential qualities for those tasked with making difficult decisions. In such circumstances, the implementation of innovative strategies and methods becomes a necessity. This is particularly true in the present world, where volatility, uncertainty, complexity, and ambiguity are prevalent. (Sharma & Rautela, 2022). Those problems could lead to lack of trained and skilled human resources in tourism industry (Darsana & Sudjana, 2022).

To achieve talent in a highly competitive environment, organizations have identified the necessity of engaging their workforce. As Rizal et al. (2014) suggested, workforce performance plays a crucial role in driving efficiency, effectiveness, and high-quality work. An organization’s performance, particularly in these uncertain and competitive times, can be gauged from its employees’ performance. Concentrating on people management and enhancement is one of the most potent business strategies, given that human resources are integral to every organization. However, it is important to note that each employee within an organization is motivated differently, influenced by a range of intrinsic or extrinsic factors.

Furthermore, according to (Na-nan et al., 2018) there was lack of attention on assessing performance in organization that encompassed organizational strategy to enhance individual and collective capabilities of the workforce in order to facilitate the achievement of organizational objectives. This study was attempted to add some distinctive perspective in term of how people in the organization, particularly risk prone industry as tourism. Also, (Dahles & Susilowati, 2015) suggested that study on how tourism-based business employ their strategy in terms of unpredictable business environment. Specifically in this study, we were focus on how tourism-based business or hospitality sector perceived the influence of employee’s self-efficacy, motivation to employee performance.

According to the research background, therefore this study objectives is to seeks and identify the influence between variables by shedding light on the influence of self-efficacy, motivation, and employee performance within the hospitality sector. In addition, this research is organized as follows: First, we introduce a background and literature review, followed by the development of hypotheses. Secondly, we deliver a concise description of the research
methods and instruments. Finally, we discuss the findings, conclusions, and research limitations.

2. Literature Review and Hypothesis

Motivation
The motivation of employees is an essential element to achieve success, whether it is in the public or private sector (Chintalloo & Mahadeo, 2013). According to (Hemakumara, 2020) motivation affected productivity, performance, and persistence. Motivation is fundamentally aimed to accelerate behavioral alteration that enables an individual to act in a manner that is conducive to the achievement of a specific objective. According to (Robbins et al., 2015) there are two types of employee motivation classification: intrinsic and extrinsic. Intrinsic motivation is defined as the intrinsic value of the work itself to the individual. In contrast, extrinsic motivation is derived from the desire to achieve outcomes that are unrelated to the task at hand (Engidaw, 2021) asserted that unmotivated employees tend to put least effort into daily activities, produce low quality work, absences, and even resignation if given the opportunity. Otherwise, motivated employees, on the other hand, are more likely to take on duties willingly, generate high-quality work, and be innovative, persistent, and productive. (Hemakumara, 2020) asserted that motivation has influence on employee’s engagement in the organization. Similarly, (Ackah, 2014a) asserted the objective of most companies is to capitalize on constructive employee conduct in the workplace by fostering a mutually beneficial arrangement for both parties. The model of individual behavior represents an optimal vehicle for establishing a mutually advantageous relationship between the employer and employees, enabling an understanding of motivation.

Employee Performance
The evaluation of employee performance includes both the quality and quantity of the output, as well as the employee's presence at work, accommodative and supportive nature, and relevance of output. (Shahzadi, Javed, Shahzaib Pirzada, et al., 2014). Performance of the employee is affected by motivation as when employees are determined, the effort of work and performance will develop (Azar & Shafighi, 2013). Therefore, improving employee performance through motivation is still considered as an essential approach for organizations. Employee performance is not entirely independent of other factors; rather, its outcome is significantly dependent on certain factors. These factors can be defined as the financial and non-financial achievement from the employees which can be associated with the organizational goals. In service-based business fields, the degree of employee performance is analytically related to the company's performance, and the implementation of best practices is confirmed. (Siddiqi & Tangem, 2018)

Self-Efficacy
According to (Cherian & Jacob, 2013), they believed that social cognitive capabilities of employees also play some essential role towards their work performance. That capability is often known as self-efficacy. Self-efficacy becomes an important concept that focuses on how individuals develop foundation to achieve some goals. According to (Bandura & Locke, 2003), Self-efficacy is believed can influence on individual’s emotional responses and cognitive patterns that can also be defined as a function of self-beliefs with which individuals can complete an assignment. Thus, high determination associated with self-efficacy will lead to increased productivity and performance. An individual's behavior in particular situation is contingent upon the interaction between the environmental context and their cognitive processes, particularly those associated with their self-efficacy beliefs regarding their ability to perform actions in a satisfactory manner (Alwisol, 2009).
**Research Framework and Hypothesis Development**

Several academic research on self-efficacy discovered that self-control, resilience of failure, effective problem solving are some of characteristics that appears on individual with high self-efficacy (Bandura et al., 1987; Bergström & García Martínez, 2016; Cherian & Jacob, 2013). Employee performance is believed to be an important indicator that reflect the work output of individuals, departments, and organizations. The company's management expects effective performance from all employees, which should result in the realization of potential and the delivery of the expected output (Na-Nan & Sanamthong, 2020). In general, it is proven that self-efficacy predictd overall work performance (Çetin & Aşkun, 2018). This conclusion leads to the formulation of the research hypothesis 1 for this study, which is as follows:

**Hypothesis 1**: Self Efficacy has a significant influence on Employee Performance.

According to social cognitive theory, self-efficacy is a key function in influencing motivation and ethical behavior (Iroegbu, 2015). Self-efficacy can also influence an individual's moral judgment and actions, as they consider the consequences and implications of their behavior for themselves and others. Self-efficacy can be improved by providing positive feedback, modelling successful performance, creating experiences of mastery, and reducing anxiety and stress. Ethical behavior can also be influenced by an individual's moral climate, which is the shared norms and expectations of the group or organization to which they belong. Ethical behavior can have positive or negative consequences for individuals and others, such as rewards, punishments, reputations, and trust (Maddux & Kleiman, 2021). This conclusion leads to the formulation of the research hypothesis 1 for this study, which is as follows:

**Hypothesis 2**: Self Efficacy has a significant influence on Motivation.

In addition, (Day & Allen, 2004) emphasized that individual self-efficacy can affect motivation and performance. Accordingly, (Singh et al., 2009) stated high confidence and self-efficacy increase the ability in resolving various problems. Similarly, (Sartono & Ardhani, 2015) found that self-efficacy, motivation and job satisfaction can determine the employees job performance. This conclusion leads to the formulation of the research hypothesis 1 for this study, which is as follows:

**Hypothesis 3**: Motivation has a significant influence on Employee Performance.

Self-efficacy also influences individuals in terms of determining the action to achieve a specific goal, however, individual commonly have various driven due to their personal needs, goal tb be achived and other expectation (Ayundasari et al., 2017). Therefore, it can be demonstrated that motivation influence employee performance. Motivated employees tend to apply greater effort to their work, which in turn leads to improved performance(Shahzadi, Javed, Shahzaib Pirzada, et al., 2014) This conclusion leads to the research hypothesis 4 development on this study as follows:

**Hypothesis 4**: Motivation Mediated the influence of Self Efficacy and Employee Performance.

To elaborate the relationship of every variable, the research framework can be seen in this following picture:
3. Data and Method

Sampling Procedures
This study is a descriptive and quantitative survey with a questionnaire. The study performed a purposive sampling method with non-probability sampling to employees with minimum 1 year working tenure, to make sure the respondents had adequate understanding and work experience in the company. The target sample for this research were managerial and operational staff in hospitality industry in Yogyakarta, Indonesia. Due to the lack of access of the actual total population of employees in various companies, we used a rule of thumb of unknown population, with a minimum number of respondents and at least ten times greater than the number of variable items Roscoe's theory (1975) in (Sekaran & Bougie, 2016), thus, this study required minimum 30 respondents. The questionnaires were distributed in online form. We distributed the online questionnaire directly to the companies and tourism association. Therefore, after data collecting, of 110 responses, 100 questionnaires were selected, 10 respondents were excluded due to the unmatched criteria.

Measurements
There were two sections in the questionnaire, first was the demographic section and the second was all the variables item instrument. The questionnaire has 14 questions. All the instruments were examined using established scales, motivation variable adopted form (Ackah, 2014b) using the 5 items scale that consist of several indicators include salary increase, work promotion, working environment, job security and training & development. Self-efficacy variable developed by (Smith & Betz, 2000; Bandura et al., 1987) that include the level of difficulty of the task, the degree of individual’s strength related to beliefs or ability, the field of behavior in which the individual feels confident and the cognitive conditions which are associated with individual capability to perform satisfactory actions, and for the employee performance instruments were adopted from (Na-nan et al., 2018) that include quality of work, work initiative, promptness, capability and communication.

Table 1. Instrument Indicators

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation (Ackah, 2014)</td>
<td>1. Salary Increase</td>
</tr>
<tr>
<td></td>
<td>2. Work Promotion</td>
</tr>
<tr>
<td></td>
<td>3. Work Environment</td>
</tr>
<tr>
<td></td>
<td>4. Job Security</td>
</tr>
<tr>
<td></td>
<td>5. Training &amp; development</td>
</tr>
</tbody>
</table>
Self-Efficacy (Bandura, 1987; Smith&Betz, 2000)

1. The level of difficulty of the task
2. The level of individual’s strength related to beliefs or ability
3. The area of behavior in which the individual feels assured.
4. The cognitive conditions which are associated with individual capability to perform satisfactory actions


1. Quality of Work
2. Work Initiative
3. Promptness
4. Capability
5. Communication

Data Analysis
Structured Equation Modeling-Partial Least Square (SEM-PLS) with SMART PLS 3 is used to analyze the data gathered through this survey. The outer and inner models assessed by SEM-PLS that effectively used with small to medium sample size. Also, this analytical method offers more suitability to provide more accurate prediction in mediation model. Thereafter, to measure the outer model, several evaluations are needed. Hair et al. (2017) provided some procedures to assess the models. Convergent validity is evaluated by observing the Average Variance Extracted or AVE (value > 0.50). On the contrary, discriminant validity is evaluated by observing the Fornell and Lacker Criterion and Heterotrait-Monotrait Ratio (HTMT). Additionally, Henseler et al. (2015) propose a threshold value of 0.90 when the path model includes constructs that are conceptually highly similar. However, when the constructs in the path model are conceptually more distinct, researchers should consider a threshold of 0.85 for the HTMT.

Regarding to the evaluation of the outer model, the inner model should also undergo a series of assessments to determine whether all paths indicating the relationship between one construct, and another exhibit an acceptable level of goodness of fit. The structural model is assessed through $R^2$, size and significance of path coefficient and $f^2$. Since our research has a mediating hypothesis, we performed three procedures from (Hair Jr et al., 2021) First, we evaluated the indirect effect, beta, which is required to be significant. Subsequently, if the direct effect is found to be significant, it is considered to be partial mediation. In the event that the direct effect is not significant, the mediation is considered to be full mediation.

4. Results
Table 2 displayed that majority of the respondents were male with 52 percent and female 48 percent, also all the respondents were permanent workers in this industry. In terms of department, most of the respondents were from food and beverages. According to the working tenure, majority of the respondents distributed within two different sections at the same percentage 30 percent were working for the company under 1 year and 2-3 years respectively.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>52</td>
<td>52</td>
</tr>
<tr>
<td>Female</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Work Status</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Contract</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
<tr>
<td>Department</td>
<td>Frequency</td>
<td>Percentages</td>
</tr>
<tr>
<td>------------------</td>
<td>-----------</td>
<td>-------------</td>
</tr>
<tr>
<td>Front Office</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>F&amp;B</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>House Keeping</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>General Affair</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Managerial</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Others</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Working Tenure</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1 year</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>2-3 years</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>4-5 years</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>&gt;5 years</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Outer Model Analysis**

As displayed in table 3, the Cronbach’s Alpha and composite reliability values for each construct value more than 0.7. Particularly, all values AVE value surpasses the threshold of acceptable value which at 0.5, as asserted by (Hair et al., 2021)

The discriminant validity is typically employed to assess the extent of interrelation among research variables by calculating all potential correlation values among them. In this research can be presented for the Fornell-Lacker Criterion value that greater than its correlation value within another construct. Lastly, the HTMT value for each construct are less or equal to the threshold value 0.90.

**Table 3. Outer Model (Convergence Validity, Reliability and Discriminant Validity)**

<table>
<thead>
<tr>
<th></th>
<th>Cronbach's Alpha (*)</th>
<th>Composite Reliability (**)</th>
<th>Average Variance Extracted (AVE) (***)</th>
<th>Fornell-Larcker Criterion</th>
<th>HTMT (****)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>0.832</td>
<td>0.888</td>
<td>0,815</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>0.859</td>
<td>0.899</td>
<td>0.640</td>
<td>0.766</td>
<td>0.800</td>
</tr>
<tr>
<td>Self- Efficacy</td>
<td>0.843</td>
<td>0.906</td>
<td>0.762</td>
<td>0.736</td>
<td>0.759</td>
</tr>
</tbody>
</table>

* CA >0.7; **CR >0.7; ***AVE >0.5 ; **** HTMT < 0.90

**Inner Model Analysis**

In this second section of the assessment, we conducted structural model assessment to ensuring the goodness of fit. As presented in table 4 the inner model evaluation shown that all paths are significant with p-value (direct & indirect) < 0.05. By viewing at table 4, the coefficient determination R² is 0.542 for Motivation and 0.670 for Performance that means the total variance can be described by the exogenous variables. Following also presented the PLS-SEM algorithm results model.
According to the analysis on the table 4 below, the Self Efficacy → Performance path shows a significant value with a positive beta, based on this, the hypothesis 1 in this study was accepted. The $f^2$ value of this path shows a value of less than 0.35. According to Cohen (1988), if the $f^2$ value is more than and equal to 0.35, it means that the path’s impact on variation in endogenous constructs is in the small category.

Moreover, hypothesis 2 was also accepted because the Self-Efficacy → Motivation path has a positive beta with an $f^2$ value of more than 0.35 and can be included in the high category (Cohen, 1988). For the third hypothesis, Motivation → Performance has a positive beta, therefore the hypothesis 3 in this study was accepted and the $f^2$ value of less than 0.35 and is categorized as low.

Finally, which is the mediation hypothesis, the hypothesis 4 in was accepted. This is concluded from the value of the path indirect effect Self-Efficacy → Motivation→ Performance which is significant and positive (0.332), so according to (Hair Jr, et al., 2021), mediation in this study is classified as complementary partial mediation.

Table 4. Inner Model (Path Coefficient, p-value, t-statistic, $f^2$ and $R^2$)

<table>
<thead>
<tr>
<th>Path Coefficients</th>
<th>p-value*</th>
<th>$f^2$**</th>
<th>$R^2$**</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mot -&gt; Perform</td>
<td>0.452</td>
<td>3.520</td>
<td>0.000</td>
<td>0.284</td>
</tr>
<tr>
<td>SEfficacy -&gt; Mot</td>
<td>0.736</td>
<td>14.230</td>
<td>0.000</td>
<td>1.182</td>
</tr>
<tr>
<td>SEfficacy -&gt; Perform</td>
<td>0.427</td>
<td>3.288</td>
<td>0.001</td>
<td>0.253</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEfficacy -&gt; Mot -&gt; Perform</td>
<td>0.332</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*p-value <0.05; **$f^2$ R$^2$0-1; t-statistic >1.98
5. Discussion
According to the hypothesis 1 result, self-efficacy appeared to have a positive and significant effect on performance. This result was aligned with the previous study from (Na-Nan & Sanamthong, 2020) that observed that self-efficacy significantly effects on performance. Similar results were also implied by (Arifin et al., 2021) that self-efficacy had a positive and significant effect on employee performance. In this study, employees in the tourism sector had working spirit and resilience behavior that shows confidence in their work, this is considered the result of specific education and training in tourism sector before they enter the workplace.

The results of hypothesis 2 indicated that self-efficacy influenced the motivation of employees. Self-efficacy is considered as a crucial process in social cognitive theory; thus, it is a critical motivational development that leads to solid motivational results (Schunk & DiBenedetto, 2021) the finding also supported (Shin, 2018) study that self-efficacy was significantly related to motivation. The results of this study show that employees in the tourism sector have provided room to grow with adequate motivation from the company.

The results of hypothesis 3 indicated that employee motivation affected employee performance, that is aligned with previous studies from (Azar & Shafighi, 2013) and (Shahzadi, et al., 2014), that indicated the significant influence of motivation to employee performance. It appeared that if employee motivation developed, their performance will also expect to significantly increase.

The result of mediation on hypothesis 4 indicated that the indirect path of self-efficacy, motivation, and performance is significant, and thus classified as partial mediation. This is aligned with research result from (Çetin & Aşkun, 2018) that indicated self-efficacy and motivation effects on work performance and motivation as a partial mediator was supported. Consequently, in partial mediation, the significance of the indirect effect indicated that while motivation of the employee mediated part of the relationship, self-efficacy also had a positive impact on performance. Consequently, at individual level, motivation can contribute to the improvement of employee self-efficacy, which eventually will improve the employee productivity and performance. However, (Tims et al., 2014) argued that self-efficacy and performance relationship were also related to another proactive work behavior.

6. Conclusion
From the results of this study, can be outlined that Self-Efficacy significantly effect on Performance. Accordingly, it showed that the cognitive ability of employees is fundamental for individuals to show their best performance. Employees will specifically increase Self-Efficacy when given motivation from the organization in terms of resource support to ensure that the organization has focused on employee development. Likewise, Motivation appears to have a positive effect on Performance. This displays that excellent performance requires high motivational support in various conditions, both when experiencing difficulties and facing work challenges.

Motivation is demonstrated a significant role in mediating the correlation between Self-Efficacy and Performance. From the research results, it appears that the mediating role is partial. Therefore, the existence of Motivation will contribute to the improvement of employee job performance.

This research proposes some practical implications for the tourism industry regarding human resource management, particularly with respect to the effective management of self-efficacy,
motivation, and job performance, particularly during periods of crisis. Furthermore, tourism companies, as business stakeholders, should be able to maintain their employees effectively through real implementation, for instance more specific onboarding program for new employees, workload analysis to examine the current employees and providing intrinsic and extrinsic motivation treatment in the organization.

**Limitations and Future Research**

This study was conducted only in the tourism industry on different types of businesses so that cannot indicate the generalization of data from the results. Thus, future research suggested to be conducted on several industries and compare the results to understand the overall level of employee performance in various industries. In addition, the limitation of this research related to the proposed variables. However, other variables can also be used as a suggestion for future research for instance organizational justice or employee engagement.

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