Don’t Be Afraid to Change: a Study of Mediation Variables

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Abstract
This study aims to determine the antecedent variables that affect business performance and to determine the role of the readiness to change a variable in mediating the relationship between managerial work efficacy and business performance. The object of this research is the tour & travel business in Central Java. The sample of this research is the director of each research object as the main leader and decision maker in dealing with the Covid-19 pandemic situation and the new normal era. Methods of data collection by distributing questionnaires, interviews, observation, and literature study. The sampling method used purposive sampling. Data analysis using Structural Equation Modeling technique. Based on statistical results, the direct effect of managerial work efficacy is not significant on business performance. The indirect effect of managerial work efficacy on business performance through readiness to change shows significant results. The results of the role test show that readiness to change can mediate the relationship between managerial work efficacy and business performance.

Jangan Takut Berubah: Sebuah Studi Variabel Mediasi

Abstrak

JEL Classification: M12; L21

INTRODUCTION

The COVID-19 pandemic has brought down several business and industrial sectors. The tourism industry and its supporting businesses are most affected by the pandemic. The tourism sector is very important to always be developed sustainably because as a source of foreign exchange earners, it is also a sector that can absorb labor and equitable development. The travel industry or tour & travel as an accommodation business has a reciprocal relationship that is closely related to the development of the tourism sector. However, the imposition of an emergency Community Activity Restriction prolongs a difficult period in the tourism business. The government’s policy in the form of the Imposition of Emergency Community Activity Restrictions does not allow the movement of tourists. The market is also reluctant to travel. As a result, businesses do not get income. Handoyo (2021) stated that when the Covid pandemic broke out in March 2020, travel agency revenues fell by 85% compared to 2019. Entering 2021, there was an increase of around 20% at the beginning of the year. However, that growth momentum did not last long. Because in the second quarter period, the ban on going home made the tourism travel business again decline sharply. Even though the momentum of Eid al-Fitr is usually the peak season for this travel tour business segment. However, the director of the tour & travel business as a leader and manager must always try to keep the travel business operations running, amid a pandemic that is not yet known when it will end. Directors must have high work efficacy behavior and confidence that this challenge must be faced with various activities that can maintain the organization’s cash flow. Managerial work efficacy as individual and collective beliefs as a result of perceptions about their abilities. These beliefs can determine how individuals behave, think, and how they react emotionally in certain situations. Several previous studies have stated that managerial work efficacy is believed to have an impact on business performance (Lyons & Bandura, 2019; Damanik et al., 2020) but some other research results show that there is no effect between work efficacy on business performance (Van-couver & Kendall, 2006; Kaakeh et al., 2020).

Based on the gap research and the gap phenomenon above, this research wants to contribute to how the director of tour & travel makes a business recovery strategy by increasing the added value to restore business performance through human resource competencies in the form of a readiness to change. Holt et al. (2007) state that readiness to change shows the extent to which individuals are cognitively and emotionally inclined to accept and adopt certain plans that aim to change. Readiness to change reflects a willingness to be open to change in the face of a dynamic business environment, market tastes, information technology, and consumer behavior. Readiness to change is a mental attitude possessed by individuals to accept change which is reflected in the behavior of being ready to participate in organizational development activities and having resilience in the business transformation process (Meria & Tamzil, 2021).

Alwisol (2009) states that self-efficacy is one’s perception of how well one can function in certain situations, self-efficacy is related to the belief that one can perform the expected action. Self-efficacy according to Alwisol (2009) can be obtained, changed, increased, or decreased, through one or a combination of four sources, namely the experience of mastering an achievement (performance accomplishment), vicarious experiences (vicarious experiences), social persuasion, and emotional generation (emotional/physiological states). Performance experience is an achievement that has been achieved in the past. The vicarious experience is gained through the social model. Social persuasion is trust in the persuasion and the realistic nature of what is being persuaded. Schuckert et al. (2018) says that self-efficacy plays a very important role in influencing the effort made, and how strong the effort is in predicting the success to be achieved.
Every individual especially management leaders of business organizations such as the tour & travel industry, really need work efficacy behavior. This efficacy behavior has characteristics including an individual who is adaptive to challenging, complicated, and complicated tasks, someone who can bridge the different perspectives of others, an individual who is reliable in completing various tasks and responsibilities, and an individual who can share interpersonal strengths (Jansen, 2002; Sulistiyani & Ferdinand, 2018). As a management leader, work efficacy can be increased at the level. Efficacy in work teams is the sharing of group beliefs in their ability to work together to organize and implement work programs needed to achieve performance (Bandura, 1997). Work efficacy is a key social cognitive element that can help to explain how directors can manage a business to function better. Bandura (1997) suggests that work efficacy influences what to choose and do as a unit of work, how much effort must be made to complete tasks and responsibilities within the organization, and individual resilience when managing resources fail. produce the desired outcome. Several previous studies have stated that work efficacy is believed to have an impact on business performance (Lyons & Bandura, 2019; Damanik et al., 2020) but several other research results show that there is no effect between work efficacy on business performance (Vancouver & Kendall, 2006; Kaakeh et al., 2020).

In this study, respondents were directors in the tour & travel industry in Central Java. The Director is the leader of the travel business who is responsible for the overall business operations. Its task is to integrate interdependent strategic efforts between individuals in divisions/departments in influencing overall business performance (Cohen & Bailey, 1997; Bunderson & Sutcliffe, 2002). The tour & travel industry is knowledge-intensive as a result of the nature of service products, which is an entity where service delivery occurs as a result of interactions between customers and employees and the importance of employees knowing customer needs to achieve customer satisfaction (Northousen, 2010). Industrial presence tour & travel as a support for the growth of tourism in each region will greatly depend on the presence of foreign and domestic tourists. However, due to the pandemic and the imposition of PSBB in almost all countries in the world, Indonesia is no exception, which has greatly reduced the number of tourists visiting each other, both on tour and MICE trips. The number of tourists visiting Central Java from 2019 to 2020, there was decreased by 61.24% as much as 35.88 million per year. Indonesia occupies the top spot, in terms of COVID-19 cases in Southeast Asian countries, and Central Java ranks fourth after DKI Jakarta, West Java, and Banten in the number of cases of this pandemic. To reduce the rate of increase in the number of cases of this pandemic, the government made PSBB and PKM (Restrictions on Community Activities) policies in Java, Bali, and Central Java. This has resulted in a decrease in tourist interest in traveling and MICE activities. The number of tourists visiting Central Java from 2019 to 2020, there was decreased by 61.24% as much as 35.88 million during the year.

Following the 2020-2024 RPJMK, the Ministry of Tourism and Creative Economy targets the added value of the tourism sector through key values, namely sustainable tourism, skilled human resources, experience satisfaction, product and service diversification, and being able to use digital channels in terms of promotion and innovation. In addition, the recovery of this industry during the pandemic requires fast work, innovation, and collaboration. To support the tourism industry as a sector in bringing in foreign exchange, the tour & travel industry is one of the backbones that supports the development of the tourism sector. The contribution of the tour & travel industry which has implications for tourism development is a barometer of the success of a region in promoting, inviting, and serving domestic and foreign tourists to travel and MICE (Meeting, Incentive, Convention, and Exhibition) activities in the area.

To link managerial work efficacy and business performance, this study wants to see how
readiness to change affects the performance of the tour & travel business. An employee, especially at the managerial level is required to have efficacy behavior. Efficacy is an individual’s assessment of his ability or competence to perform tasks, achieve goals and produce goals or expectations (Byrne, 2000). Managers who have good self-efficacy will easily accept change (Meria & Tamzil, 2021). Managers must be able to adapt to the organization’s internal and external environment, be ready to accept the challenges of change that are difficult to predict, and be ready with the strategy to be used. Managerial work efficacy provides confidence that the emergence of various problems faced in the organization can be resolved in a more focused, faster, tactical, and efficient manner to achieve optimal results and even exceed pre-determined standards, this has an impact on improving organizational performance. Managers and organizations are not passive recipients of the uncertainty and ambiguity of change. They react enthusiastically to what happens in the work environment (Katsaros et al., 2020). As a result, organizational readiness for change is defined as manager’s and work teams’ beliefs about the benefits of the planned change effort (Jones et al., 2005) and/or to what extent managers are mentally, psychologically, or physically ready to carry out organizational development (Hanpachern et al., 1998).

Hypothesis Development

Relationship between Managerial Work Efficacy and Readiness to Change

Self-efficacy comes from social cognitive theory which is based on the principle of courage, like challenges and a strong willingness to learn from mistakes. This principle provides the basis for a manager to be ready to face any changes and be adaptive to the volatility of the internal and external business environment (Lyons & Bandura, 2019). Self-efficacy has an important role for every individual, especially leaders because it affects how the leader thinks, behaves, feels, and motivates himself and all members of the organization. Working with good efficacy can make a leader able to determine readiness in planning what to do. Managers have resilience when faced with various failures and obstacles. The manager has a belief and mindset that is not easily influenced by the circumstances around the environment and considers uncomfortable situations as a challenge and should not be avoided (Niu, 2020). Meria & Tamzil (2021); Qiu et al. (2020), Nurhaliza & Nurhaliza (2022) research mention the positive influence of self-efficacy on readiness to change. The proposed hypothesis is

H1: There is a positive influence between Managerial Work Efficacy on Readiness to Change

Relationship between Readiness to Change and Business Performance

A manager who is ready to face change will try to conquer business challenges and strive to achieve competitive advantage. The meaning of readiness is a confident, creative, innovative mindset shared among organizational members amid change, which consists of individual beliefs, attitudes, and intentions regarding the level of change required, and the organization ensures its ability to successfully implement it (Kim & Kim, 2022). Managers with a higher level of readiness will do more on behalf of the organization to realize the vision, mission, and ideals of the organization. Studi by Trisnaningsih & Ratnawati (2022); Kim & Kim (2022) show
that there is a positive influence on readiness to change on business performance. The proposed hypothesis:

H2: There is a positive influence between Readiness to Change on Business Performance

**Relationship between Managerial Work Efficacy and Business Performance**

Self-efficacy is a person's belief that he can master the situation and produce positive outcomes (Bandura, 1997). Managers have an important role in making strategic organizational decisions. Managers need to have efficacy behaviors at work such as having a strong commitment to achieving organizational competitive advantage. Managers must also be ready to challenge and adapt to all forms of change such as information technology, consumer behavior, government regulations, national and global political situations. Managers who have efficacy can overcome difficult problems and motivate themselves to find strategies to get the best solutions (Meria & Tamzil, 2021). Self-efficacy has a positive effect on improving performance (De Clercq et al., 2018; Kaakeh et al., 2020; Oh, 2020) the proposed hypothesis:

H3: There is a positive influence between Managerial Work Efficacy on Business Performance

The hypothetical framework can be described as the following research model

![Figure 1. Hypotesis framework](image)

**METHOD**

The object of this research is the tour & travel industry in Central Java. Respondents in this study are tour & travel directors as leaders who will play an important role in taking strategic steps and important decision-makers during this covid-19 pandemic. The sample frame of this research is the director. In this study, 125 samples were used from 125 research objects in the travel industry. The number of samples used is greater than the recommended range, but still smaller than 400 so that the sensitivity to the goodness of fit measure is still fulfilled (Ghozali, 2012).

Sampling method using purposive sampling with criteria 1) experience working in the field of tour & travel for at least 3 years 2) Member of the Association of Travel Companies (Asita). This study uses quantitative analysis, namely data processing using statistical methods presented in the form of numbers with a Structural Equation Model (SEM) approach using a software-based program, namely AMOS version 25.0.

Managerial work efficacy is measured using the Self Efficacy (1-10 scale) from the General Self Efficacy Scale developed by (Bandura, 1999) and has three indicators, namely magnitude, strength, and generality. The Readiness to Change Scale was adopted from (Hanpachern et al., 1998) with three indicators namely participation, promotion, and resistance. Business performance is measured by the Key Performance Index scale with the Performance Prism method found by (Neely et al., 2002) which consists of five indicators, namely business processes, strategy, stakeholder satisfaction, stakeholder contributions, and innovative marketing.

**RESULTS AND DISCUSSION**

The factor loading value of each construct indicator has met the fit criteria, which is said to be statistically significant if the value is above 0.50 (Hair et al., 2014). The estimation results of the constructed model are obtained by Chi-square with a value of 91,162 with a probability of 0.000. Other fit criteria GFI=0.947, AGFI=0.915, TLI=0.968, CFI=0.976, NFI=0.958 and RMSEA=0.66 have recommended conformity standards.
Based on Table 1 above, using a significance level of <0.05, the direct influence of managerial work efficacy on business performance resulted in no effect. Meanwhile, the indirect relationship between managerial work efficacy and business performance through readiness to change produces a positive and significant effect. Managerial work efficacy does not directly affect business performance and managerial work efficacy indirectly affects business performance through readiness to change. This is a perfect mediation analysis because it can affect indirectly, but cannot influence directly. The results of the Sobel test provide information that the Sobel test statistic value is 2.22053039 with a P-value of 0.0131, this value is below the 5% cut-off significance. The Sobel test statistic value is above the cut-off value of 1.96, so it can be concluded that the readiness to change variable can mediate the relationship between managerial work efficacy and business performance variables.

Alwisol (2009) states that self-efficacy is one’s perception of how well one can function in certain situations; self-efficacy is related to the belief that one can perform the expected action. Self-efficacy according to Alwisol (2009) can be obtained, changed, increased, or decreased, through one or a combination of four sources, namely the experience of mastering an achievement (performance accomplishment), vicarious experiences, social persuasion, and emotional generation (emotional/physiological states). Performance experience is an achievement that has been achieved in the past. The vicarious experience is gained through the social model. Social persuasion is trust in the
persuasion and the realistic nature of what is being persuaded. Schuckert et al. (2018) says that self-efficacy plays a very important role in influencing the effort made, and how strong the effort is in predicting the success to be achieved. Someone who has high self-efficacy has a high desire to learn new things, is not afraid to face risks and challenges, and has high readiness to face changes in business processes. Managers or leaders who are always ready to face change will always try to find new strategies in facing challenges, are not afraid to learn from anyone, and establish networking to always survive and win in business competition, so that organizational performance is not stagnant but always increases. Managers’ efficacy is an intrapersonal resource in innovating individual and organizational activities (Oh, 2020). Efficacy increases the manager’s ability to learn new things and prosocial behavior because continuous learning is not limited to transactional activities (Alessandri et al., 2021). Efficacy motivates tour & travel directors in making interesting activities and collaborating with local communities to create new events to attract tourists.

Every individual especially Leaders of business organizations such as the tour & travel industry need work efficacy behavior. This efficacy behavior has characteristics including an individual who is adaptive to challenging, complicated and complicated tasks, someone who can bridge the different perspectives of others, an individual who is reliable in completing various tasks and responsibilities, and an individual who can share interpersonal strengths. (Sulistiyani & Ferdinand, 2018; Jansen, 2002). As a management team work efficacy can be improved at the level Efficacy in work teams is the sharing of group beliefs in their ability to work together to organize and implement work programs needed to achieve performance (Bandura, 1997). Confidence, resilience, quick achievement in agreement, planned, dynamic work movements and the greatness of the leader and his subordinates can complete difficult, challenging, and specific tasks to achieve good performance (Sulistiyani & Ferdinand, 2018).

Revolutionary change will directly affect all levels of the organization. Revolutionary changes include organizational design, structure, work processes, and organizational strategy. This change gave birth to breakthroughs in the form of structure, business processes, technology, new products, and even the habits of employees (Angkawijaya et al., 2017). Readiness to change obtained from efficacy behavior will result in effective, efficient activities, analyzing the situation with the right strategy, an agility attitude that does not give up easily, and innovations always emerge to change a slumped situation to continue to improve and be successful (Nurhaliza & Nurhaliza, 2022). In preparing for change, leaders can carry out a climate of trust, fairness, a pleasant work environment, open communication, socialization of innovation programs, and commitment, and maintain the loyalty of the work team in the organization (Katsaros et al., 2020). Managers need to make employee training related to innovations that will be carried out (Trisnaningsih & Ratnawati, 2022). This study does not give an impact on managerial efficacy on business performance. This is because of the full mediation of readiness to change. Efficacy will have an impact on business performance through readiness to change. Efficacy will have an impact on performance if it can create innovations and activities that have never been done before the pandemic era.

The recovery strategy received CHSE (Cleanliness, Health, Safety, Environment) certification according to the Ministry of Tourism and Creative Economy standards and safe travel from WTTC. Domestic vacation packages to various green zone destinations, developing products, and building an online digital platform to provide easy access for the public to their products. Three strategies need to be carried out by business actors in the tourism sector. The first is optimizing the digital platform (optimizing digital platform). Optimizing digital platform users to improve product distribution. This is an effective strategy during the pandemic period. The second is a wait-and-see strategy. According to Hariyadi, the management of companies such
as hotels must be able to see opportunities to improve their products. However, management must regulate and control cash flow strictly to save financing. This strategy is chosen by many companies. Third, product bundling. Business actors make or combine several products in one package, sold at a discount. For example, a hotel room package is combined with a tour package.

CONCLUSION AND RECOMMENDATION

The readiness to change mediating variable proposed in this study can mediate the relationship between managerial work efficacy and business performance. Future research needs to consider the object of research in all travel businesses in various cities in Indonesia. Such studies are necessary for cross-validating research findings. This research can be extended to various types of the hospitality industry to find out business models, organizational culture, and teamwork culture to strengthen hypotheses and structural models built. This research model needs further testing in industries that have a large population to ensure its validity, reliability, and relevance. The research model needs to be further developed with additional variables or other relevant variables from the antecedents of business performance.

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REFERENCES


