

The influence of psychological capital in the hotel industry following the COVID-19 pandemic

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ABSTRACT

Covid-19 pandemic has impacted tourism sector terribly due to travel restrictions. Various methods have been implemented by the government to reinstate the confidence of society towards tourism destinations' safety. East Java is one of the provinces becoming the government's main focus for tourism recovery, and when people finally return, accommodation service is becoming necessity. Hotel's management and staff need to perform numbers of adjustments to regain its visitors' confidence and convenience upon using provided products and services. Hotel's employees are expected to provide excellent service and performance. Thus, every member of the property is expected to possess positive psychological condition in order to be able to process and proceed with necessary operational changes on the place. This positive psychological state is often called as psychological capital (psycap). Employees with a higher psycap should have a higher readiness for change, which leads to a better job performance. Data collection through online questionnaires survey, with purposive sampling from 385 respondents. Quantitative data analysis using Partial Least Square (PLS) SEM. The findings show that psycap has a positive and significant impact on both readiness for change and job performance. Additionally, readiness for change positively and significantly influences job performance and serves as a mediating variable between psycap and job performance. This research aids management in understanding the connection between psycap, readiness for change, and job performance, particularly in the hotel industry.

1. INTRODUCTION

The unexpected Covid-19 pandemic has left dynamics, complexity and uncertainty for the tourism industry, especially hotels (Oktavio et al., 2021). Hotel employees often experience unexpected events, higher workloads, and demands to adapt to new technology that helps prevent the transmission of Covid-19 which is often constantly changing and sometimes creates ambiguity (Sun et al., 2020). East Java is one of the provinces becoming the focus of development acceleration and tourism recovery. Tourism activities are closely related with hotel industries, as travelling will always require the existence of accommodation services

(Indrianto et al., 2022). The increase of room occupancy is becoming one of the benchmarks for the growth of hotel industries, especially during the second quarter of 2022 – which is in amount of 60 percent (Bahfein, 2022). Nevertheless, during current post pandemic period, there have also been some increase of specific demands from the consumers. For example, the change of perception towards service quality provided by a hotel's staff, which becoming ever more specific, often emphasizing on the risk prevention in order to improve overall customer satisfaction (Iskandar, Kartika, & Kristanto, 2021). The change on the customer's behavior especially in travelling, not to mention with technological supports currently available, increase the degree of complexity of fulfilling the variety of customers' needs (Mustika, 2023). With current ongoing changes, every accommodation service provider, especially in this case – its employees, is required to perform some necessary adjustments (Oktavio et al., 2024). The necessity of change among the employees working on the industry is expected to support the idea of Kemenparekraf (The Ministry of Tourism and Creative Economy) to reinforce the nation's tourism foundation through sustainable tourism based on the improvement of its human resource (Yuniar, 2022). Human resource capital in hotel industries is essential, as service-oriented industry is inseparable from the quality of its human resources (Oktavio & Kaihatu, 2020). The ability of hotel's employees to provide service towards its consumers becoming the core and the differentiating factor between one hotel to another (Adityaji et al., 2022). Thus, hotel industries are required to put attention towards each of its staff members (Gom et al., 2021). The background of this research is based on the fact that employees of star hotels in Indonesia sometimes experience problems in doing their job optimally. This can be caused by many factors, such as high work pressure, poor communication between employees, or lack of support from management.

The main demand directed towards the human capital of Indonesia is to produce excellent job performance, in which this performance is resulted from the effort to accomplish assigned task (Kaihatu & Oktavio, 2020). In dealing with this problem, the presence of the concept of psychological capital (psycap) is relevant for investigation. Psycap is a state of someone's psychological development. This development is pointed out by one's positive aspects such as confidence, which provides self-motivation. Psycap is divided into four aspects namely hope, optimism, resilience, and self-efficacy (Luthans & Youssef-Morgan, 2017). Hope is one's ability to exert self-motivation while facing challenges. The bigger someone's hope, the bigger is his motivation and willingness to finish any challenge. Hope is a positive mindset that could help to keep aligned towards goals, despite of constraints that occurred in the future. Hope affects personally to individual by improving overall well-being, self-esteem, and also interaction between individuals. In case of difficult situation, hope could be seen as opportunities that also reduce individual's stress level as it perceived as less

threatening. Hope also can be the most important factor that help individual to believe that achieving goals is possible. Optimism is one's inner positivity to create a thought about success while performing something. If someone is optimistic, he will not be easily satisfied towards any of his achievement. Besides, an optimist will always be prepared to see and grab existing opportunities, as well as to develop himself better. Resilience is one's ability to minimize or eradicate any potential failure in life. A resilient is able to transform an adversity into something passable; this kind of person is often capable to bear gradually increasing responsibilities. Self-efficacy is one's confidence in his ability to finish any task or challenge. Someone with a good self-efficacy will be motivated to finish any task or challenge as he possesses the thoughts to provide only the excellence. Someone with poor self-resilience will avoid any task or challenge as he would be thinking of high failure potential, and this will restrict himself in achieving desired success (Luthans & Youssef-Morgan, 2017). Hope is unique because it combines agency and pathways components, offering a different perspective compared to optimism and resilience. Hope enables individual to believe in their inner strength and find alternative routes even in the most challenging situations, motivating them to seek positive and proactive solutions. They view obstacles as opportunities for learning (Al-Ghazali & Afsar, 2022).

Study conducted by Kim et al. (2017) explains that a high psycap impacts on performance, especially for those working on service industries. Furthermore, another study conducted by Ozturk & Karatepe (2019) in Russia has also explained how psycap influences hotels' staff creativity in their working performance; as well as reduces stress level, which impacts on better working performance. Someone having high psycap will generally more prepared and abler to overcome changes in their working environment. More specifically, resilience and self-efficacy will be very beneficial to overcome unpredictable changes. Hope and optimism, on the other hand, supports the development of positive mindset in overcoming changes, despite being difficult or complicated. The company will continue to emphasize developing the psycap of its employees, because it is believed that the stronger the psychology of each employee, the more the employee's performance in the company will increase, their well-being in life will increase, and they will rarely complain at work and will have unique features that stand out in their work, therefore increasing the level of psychology in the company is very important (Slatten et al., 2020). Several other studies have also pointed out similar result, where the higher psycap of someone, the higher also the resulted work performance (Kristianto et al., 2022; Kartika et al., 2021; Huang et al., 2021; Choi et al., 2020). The application of positive psychology can increase the potential abilities of employees, enable employees to better control stress levels at work, can easily solve problems at work,

and improve their skills and knowledge. By fostering positive psychology, employees can manage stress levels, boost their energy, and enhance creativity (Yan et al., 2021).

Based on previous research, psycap has been proven to be the antecedent of readiness for change (Kristianto et al., 2022; Kartika et al., 2021), improvement of employees' job performance (Huang et al., 2021; Choi et al., 2020). Several academicians have pointed out that psycap serves as the main motivation for someone to be always positively oriented, in order to produce something which is positive as well. This state of thinking is highly required by hotel industries, especially to create managerial interventions related with human resource change readiness. Hotel industries, during pandemic, have been severely affected. This eventually produce negative effects towards the employees.

The following relevant and important aspect in hotel industries is the employees' readiness for change. Peng et al. (2021) defines readiness for change as an individual's confidence to implement changes through any behavior corresponding with the change itself. Post-pandemic circumstances demand hotel industries' preparedness in never-before existing conditions, such as new normal and both of internal and external challenges to prevent new threats, as well as to convince their potential customers (Nastitie, 2020). In order to make sure that the industry is prepared to face change and to gain satisfactory job performance, positive psychological state from each of its member is becoming a necessity. When this is finally achieved, positive and more beneficial impact will occur. An employee assuming that his organization is prepared to face change will also assume that his organization is committed to provide necessary support towards its members, especially to equip them with a competence or ability to face the change. Therefore, employees' readiness in facing change will also be affecting on how they perform accomplish tasks (Chrisanty et al., 2021; Novitasari et al., 2020). Peng et al. (2021) emphasizes that readiness is an individual confidence to implement change through performed behaviors, such as acceptance and obedience towards new policies or changes. Chrisanty et al. (2021), explains that positive behavior may push someone to be more prepared and confidence in undergoing change, which eventually leads to performance improvement. Positive behavior such as hope, optimism, resilience, and self-efficacy are becoming 'prominent capital' to reach performance improvement. Moreover, is someone is confident to the success outcome of planned changes in the organization, his performance will be improving as well. Therefore, readiness for change may mediates the impact of positive psycap towards job performance.

This study is intended to provide empirical perspective for all of the stakeholder. This study is designed to emphasis the importance of employees' positive psychological state in order to achieve better job performance. Supporting data has pointed out relatively low employees' readiness for change post-pandemic from several hotels in East Java. In addition,

Psycap has also been proven to have an effect on employee job performance in various sectors, including the hospitality sector. However, until now, research on the impact of Psycap on the job performance of star hotel employees in Indonesia is still limited. This study, eventually, is expected to be the base of decision making for hotels' managers especially related with the readiness for change and job performance in the context of starred hotel in East Java. The results of this study can provide new insights for hotel management in improving employee performance and reducing employee turnover rates. In addition, the results of this study can also provide a theoretical contribution in expanding the literature on Psycap and job performance of employees in the hospitality sector.

Based on the reason, this study attempts to answer does psycap has an impact towards readiness for change among the employee of starred hotels in East Java, does psycap has an impact towards job performance among the employee of starred hotels in East Java, does readiness for change has an impact towards job performance among the employee of starred hotels in East Java and does readiness for change mediates the impact on the relation between psycap towards the readiness for change among the employee of starred hotels in East Java.

2. METHODOLOGY

This study utilizes quantitative approach to measure variables relation in a set amount of sample. More detailed, the quantitative design refers to descriptive and explanative quantitative. The descriptive quantitative is aimed to investigate psycap, readiness for change, and job performance of the employees working in several starred hotels in East Java. Meanwhile, the explanative quantitative is aimed to investigate the impact of psycap towards readiness for change; psycap towards job performance; and readiness for change towards job performance of the employees working in several starred hotels in East Java. The population of this research is the employees of starred hotel in East Java. The obtained sample is form of non-probability, as the writers do not provide equal opportunity for the population to be selected. Purposive sampling is utilized, and the total obtained sample is 385 respondents. Questionnaire is distributed towards the respondents to obtain Likert-style quantitative data answer. According to Sugiyono (2017), Likert scale is a measurement method utilizing interval scale to measure the agreement (or disagreement) level of a respondents towards particular questions. In this study, 'one' refers to 'very disagree', 'two' refers to 'disagree', 'three' refers to 'a bit agrees', 'four' refers to 'agree', and 'five' refers to 'very agree'.

Data analysis will be tested by using Variant Based Structural Equation Modelling (PLS-SEM). The software being used is SmartPLS 3.0. Hair et al., (2022) mentions that PLS analysis is divided into three stages: outer model and inner model, and hypotheses testing.

Testing performed towards measurement model involves convergent validity, discriminant validity, and composite reliability. Both convergent and discriminant validity aims to test the validity, while composite reliability aims to test the reliability. Afterwards, t-test is performed to test the hypotheses. If t-calculated is bigger than the t-table, a hypothesis is accepted, likewise rejected. There are 3 variables in this research: psycap as the independent variable, job performance as the dependent variable, and readiness for change as the mediator. The indicators used in this study are adopted from several previous studies such as Olefir & Bosniuk (2023) - 12 measurement indicators of psycap; Kristianto et al., (2022) - 13 measurement indicators of readiness for change; and Pradhan & Jena (2017) with 6 measurement indicators of job performance.

3. RESULTS AND DISCUSSION

The following is a table of respondent profiles from this research, consisting of Gender, hotel star level, position level of hotel employees in East Java.

Table 1. Respondent Profile

Profile	Frequency	Percent
Gender		
Male	262	68.051
Female	123	31.948
TOTAL	385	
Hotel		
3 Star	54	14.025
4 Star	126	32.727
5 Star	205	53.246
TOTAL	385	
Job		
Staff	219	56.883
Supervisor	104	27.012
Manager	62	16.103
TOTAL	385	
Years of Service		
1 to 2 years	40	10.389
3 to 4 years	232	60.259
More than 4 years	113	29.350
TOTAL	385	
Education		
SMU / SMK	147	38.181
Diploma	127	32.987
Bachelor	111	28.831
TOTAL	385	

Source: Research Data (2023)

From Table 1, it can be inferred that 385 employees of starred hotel in East Java are obtained as the respondents of this study. From the amount, 68.051 percent is male, while the remaining 31.948 percent is female. It is also found that 53.246 percent of the amount is working in five-star establishments, 32.727 percent is working in four-star hotels, and the remaining 14.025 percent is working in three-star hotels. The respondents are dominated by entry level (staff), which is in amount of 56.883 percent, followed by supervisors in amount of 27.012 percent, and 16.103 percent other as managers. There is 10.389 percent of the respondents having 1 to 2 year working period on the current establishment, 60.259 percent is having 3 to 4 years working period, and the remaining 29.350 percent is having working period for more than 4 years. The respondents of this research are also dominated by senior / vocational high school graduates, which is in amount of 32.987 percent, while 31.181 percent and 28.831 percent remaining are respectively diploma and bachelor graduates.

Table 2. Composite Reliability and AVE

Item	Outer Loadings	Composite Reliability (CR)	Average Variance Extracted (AVE)
Job Performance		0.798	0.569
My coworkers considered me as one of high performer employee (JP1)	0.777		
I'm very enthusiastic in doing the tasks given (JP3)	0.680		
I feel capable in doing multitasking to achieve our company's goal (JP4)	0.800		
Psychological Capital		0.840	0.636
I feel confident contributing to discussions about the organization's strategy (P2)	0.769		
Right now, I See myself as being pretty successful at work (P5)	0.823		
At this time, I am meeting the work goals that I have set for myself (P7)	0.801		
Readiness for Change		0.840	0.724
I want to devote myself to the change process (RTC11)	0.856		
The changes will bring lots of plans for future improvement (RTC7)	0.845		

Source: Research Data (2023)

From Table 2, it can be inferred that the outer loading value towards all job performance indicator items, psycap, and readiness for change lie within the threshold of construct validity (0.4 minimum; more than 0.708 ideal; Hair et al, 2022). Therefore, it can be concluded that the items have accurately measured the construct. Regarding the composite reliability for job performance, psycap, and readiness for change lie within range 0.600 to 0.900 (Hair et al., 2022), thus pointing out consistency of the respondents towards measurement items from

each construct in this study. In addition, value from each AVE is more than 0.500, thus each construct can be utilized to the next validity testing stage.

Table 3. Cross Loading

	JP	P	RTC
My coworkers considered me as one of high performer employee (JP1)	0.777	0.544	0.429
I'm very enthusiastic in doing the tasks given (JP3)	0.680	0.596	0.456
I feel capable in doing multitasking to achieve our company's goal (JP4)	0.800	0.579	0.448
I feel confident contributing to discussions about the organization's strategy (P2)	0.566	0.769	0.339
Right now, I See myself as being pretty successful at work (P5)	0.537	0.823	0.380
At this time, I am meeting the work goals that I have set for myself (P7)	0.536	0.801	0.390
I want to devote myself to the change process (RTC11)	0.467	0.409	0.856
The changes will bring lots of plans for future improvement (RTC7)	0.466	0.380	0.845

Source: Research Data (2023)

From Table 3, referring to both of discriminant and convergent validities, it has been found that 9 indicators of P, 11 indicators of RtC, and 3 indicators of JP lie below 0.65, thus deemed as not valid. Therefore, the indicators were later removed and the remaining indicators were re-tested. The result from the second testing shows that the remaining indicators have possessed loading factor value above 0.65; Fornell-Larcker testing towards the very same remaining indicators, in addition, points out value more than 0.7. Thus, all of the data have fulfilled the requirement of both discriminant and convergent validity.

Table 4. Fornell-Larcker Criterion

	Job Performance	Psychological Capital	Readiness for Change
Job Performance	0.754		
Psychological Capital	0.681	0.798	
Readiness for Change	0.548	0.464	0.851

Source: Research Data (2023)

From Table 4, referring to the result of Fornell-Larcker Criterion testing, it has been found that each variable possesses accurate measuring indicator items, and does not represent any overlapping measurement towards other constructs. This can be seen from the AVE square value of job performance (0.754) which is bigger than the correlation between job performance and psycap (0.681); and readiness for change (0.548). The AVE square of psycap (0,798) is having a bigger value than the correlation between psycap and job performance (0,681) and readiness for change (0.464). The AVE square value of readiness for change (0.851) is bigger than the correlation between readiness for change and job performance (0.548) and psycap (0.464).

Table 5. R-Square and Q-Square

	R-Square	Q-Square
Job Performance	0.532	0.295
Readiness for Change	0.215	0.153

Source: Research Data (2023)

From Table 5, it can be inferred that the R-Square value for job performance is in amount of 0.532, pointing out a moderate accuracy prediction on the relationship between psycap and readiness for change. The change towards job performance and readiness for change is able to explain the change on job performance construct in amount of 53.200 percent. The R-Square value of readiness for change, amounted 0.215 is pointing out a weak accuracy prediction, and the change on psycap is able to explain the change on readiness for change construct in amount of 21.500 percent. Meanwhile, Q-Square value above 0 is pointing out that psycap construct serves as a relevant construct to predict both of readiness for change and job performance constructs in this research.

Table 6. T-statistic and Coefficient Value (Direct)

Hypothesis	Path Coefficient	T Statistics	Remarks
Psycap -> RTC	0.446	10.833	Supported
Psycap -> Job Performance	0.544	14.760	Supported
RTC -> Job Performance	0.296	6.361	Supported

Source: Research Data (2023)

From Table 6, it can be inferred that t-statistic value from the relation between psycap towards readiness for change is in amount of 10.833 more than 1.96, pointing out a significant impact towards readiness for change. The value of t-statistic from the relation between psycap towards job performance is 14.760 more than 1.96, reflecting a significant impact of psycap towards job performance. In addition, the value of t-statistics from the relation between readiness for change towards job performance is in amount of 6.361 more than 1.96 meaning that readiness for change significantly impacts job performance.

Table 7. T-statistic and Coefficient Value (Indirect)

Hypothesis	Path Coefficient	T Statistics	Remarks
Psycap -> RTC -> Job Performance	0.137	5.486	Supported

From Table 7, it could be seen that the value of t-statistic from the relation between psycap towards job performance through readiness for change as the mediating variable is in amount of 5.468 more than 1.96, pointing out that significant impact of psycap towards job performance, through readiness for change as the mediator.

Discussion

In this study, we examine the relationship between psycap and job performance of star hotel employees in Indonesia with readiness for change as a mediating variable. In this discussion, we will describe the positive impact of psycap on job performance through readiness for change as a mediating variable. The result of this study is pointing out a significant and positive relationship on the relation between psycap towards readiness for change. This result supports the result of the previous research by Kristianto et al. (2022). Employees able to display positive mental strength will be able to support preparedness in committing a change. The most indicator on the creation of psycap is “Right now I see myself as being pretty successful at work”, one of the indicators of Hope. When employees are able to motivate themselves in order to face a challenge, they will also be able to reach the desired result which in this study is particularly to support their readiness for change. Within the context of post-pandemic hotel industry, business activities have already been running better. Employees have been working normally, thus they are having more positive expectation (in comparison with the one during pandemic period). This positive expectation occurs due to the feeling of current routine, in addition, the improvement of business activities also reinforces positive atmosphere particularly towards the employees and managers of hotels (Asikin, 2022). Overall, with the ongoing positive circumstances, employees’ readiness to commit change is stimulated. Kirrane et al. (2017) emphasizes the importance role of management in encourage employees’ readiness for change, as the intervention could be the result from planned-program by the management that redirect and also nurture the employee to be aligned with the change.

The result of this study is expected to contribute on the role of hope, as one of the dimensions of psycap, considering the lack of current empirical research emphasizing regarding the topic (Toth, Heinanen, & Kianto, 2023). This also points out a variety of empirical result in this particular topic, as different research context often leads on different impact, such as the one delivered by Kartika et al. (2021) which explains no significant correlation from hope towards the improvement of readiness for change lecturers in education business setting. Therefore, this result may provide another insight towards the role of both hope and psycap. Hope could loosely define as a positive mindset that could help individual to keep aligned and work towards goals, despite of oddness or adversity that might occurred in the future. Hope could affect personally to individual in many ways as it could improve overall well-being, self-esteem, and interaction between individuals; difficult situation could be seen as opportunities rather than adversities which also reduce individual’s stress level; and the most important factor that it could help individual to believe that achieving goals is possible. Thus,

psychologic benefits could arise that reinforce individual to change deliberately as the positive benefits could be acquired.

Psycap is displaying positive and significant impact towards job performance. This result supports some previous studies such as from Huang et al. (2021); Choi, Noe, & Cho (2020); and Ozurk & Karatepe (2019) which specifically taking context in hotel business. Positive psychological mentality may improve employee job performance. When an employee is having a positive mental strength, which in this case – a high hope, his overall performance will be improving as well. High expectation is reflected from high employees' motivation to face challenges in their job; when they are confident while facing any challenge at work, they would optimize their job. High hope in employees is associated with improved job performance. When employees are hopeful, they have a positive attitude toward their goals. This motivation encourages them to face challenges with enthusiasm and confidence. Employees with a sense of hope trust in their ability to overcome challenges and achieve success, resulting in improved job performance. Confident employees approach tasks with greater calmness, enabling them to make sound decisions and reduce mistakes or failures in their work (Kartika et al., 2019).

Confidence is a key element of psycap. Confident employees are more likely to take on challenges in their jobs without hesitation. They approach their tasks with self-assuredness, which not only reduces stress but also results in more effective task execution. Confidence also enables employees to make accurate decisions and minimize errors and failures in their work. Optimism is also one of the psychological attributes and Hotel employees have some tendency to see the positive side of situations and expect favourable outcomes. Optimistic employees are generally more resilient when faced with setbacks or difficulties. This resilience helps them maintain a positive attitude and continue performing well despite challenges, contributing to enhanced job performance. High self-efficacy encourages employees to believe in their competence to face challenges at work. This belief in their capabilities drives them to take on tasks with confidence and perform them effectively. More specifically, Huang et al., (2021) has also mentioned that a hopeful employee will be able to improve his performance better. Optimism, hope, resilience, and self-efficacy encourage employees to have high self-confidence and the ability to better face challenges at work (Nugroho et al, 2019). In the context of star hotels in East Java, employees who have high psycap can improve their performance by increasing work effectiveness and reducing stress.

Readiness for change possesses positive and significant relationship towards job performance. The result of this study is also supported by either previous study by Chrisanty et al., (2021) and Novitasari et al., (2020). An organization which employees are having high readiness for change rate is expected to gain better overall performance. The employees

themselves are also expected of being able to execute a change. The most dominant indicator in creating readiness for change is “I want to devote myself to the change process”. Employees of three and five starred hotels in East Java have prepared themselves to comply with the changes on their organization which is mainly brought by the pandemic. With current new normal situation taking place, hotels are competing even harder to provide exceptional services in order to attract potential guests. Positive attitude displayed by the employees of three and five starred hotels in east Java also contribute positively on their job performance, as the management of the establishments also provide necessary support prior the execution of planned changes (Chrisanty et al., 2021).

The hotel industry is highly dynamic, with constant shifts in customer preferences. Employees who are ready for change are better equipped to adapt to these trends. They can quickly embrace new booking systems, safety protocols or guest service standards. This adaptability ensures that the hotel can remain competitive and meet evolving customer needs. Employees who are open to change are more likely to find creative solutions to unexpected challenges. In the hotel industry, this can lead to smoother operations, better guest experiences and ultimately higher job performance. Therefore, adaptability as an implementation form of readiness for change, could encourage employees to meet the performance standards that required by hotel management which also leads to best performance maintenance as to achieve the best guests’ satisfaction in hotel industry.

This study proves that readiness for change mediates the influence of psycap on job performance. This result explains that employees with positive mental strength, supported by a willingness to accept and execute change will be able to improve their performance better. Peng et al. (2021) emphasized that individual preparedness is reflected from an acceptance towards change as well as an obedience to undergo it well. An employee having positive psycap tends to be more confidence, optimistic, hopeful, and resilient. This will be a positive sign towards better work performance, and change implementation in the workplace, regardless possible risks and consequences. Less fear and more freedom-to-act overall accelerate the implementation of change in the workplace. Readiness for change is a person's ability to respond positively to changes in the work environment. Employees who are better prepared to change at work tend to be more adaptive and innovative at work. This can improve their performance because they are better able to adapt to changes that occur and find more effective solutions in dealing with new situations. The indicator of readiness for change in this study is focused on the employees’ devotion towards ongoing change process, which in this case, has pointed out that the respondents of this study has provided adequate focus towards any change initiated by the management. This focus is becoming a precious investment in establishing better individual performance, especially in bringing more contribution towards

their establishments. In the current context, every management is required to evaluate and re-manage their strategy while at the same time, re-train their employees to provide better service. This should be accompanied by the existence of positive psychological condition in order to be able to survive the fierce competition. Therefore, individual readiness for change plays an essential role holistically (Bacon & Santos, 2021). In the context of star hotels in East Java, readiness for change can bridge the relationship between psycap and job performance. Employees who have high psycap are expected to be better prepared to face changes in the workplace and are expected to show better performance. The results of our research show that readiness for change plays an important role in mediating the relationship between psycap and job performance among star hotel employees in East Java.

4. CONCLUSION

The result of this study provides a comprehensive additional explanation that could provide new insight in hotel industry's context which is pointing out that psycap positively and significantly influences the readiness for change of the employees working in three to five starred hotels in East Java – reflecting that H1 is supported. psycap positively and significantly impacts job performance of the employees working in three to five starred hotels in East Java – reflecting that H2 is supported. Readiness for change also positively and significantly impacts job performance of the employees working in three to five starred hotels in East Java – reflecting that H3 is supported as well. H4 is also supported as readiness for change mediates the impact of psycap towards job performance among the employees of working in three to five starred hotels in East Java.

The limitation of this research revolves on the object of the study which is currently limited on the employees working in three to five starred hotels in East Java, which obviously does not represent the national scale while a possibility of various working culture is existing on the other hotels located beyond the region. Another is related with the amount of sample (385), in comparison with the total number of hotels in East Java.

Hotel management is suggested to provide better attention to their employees, as the result of this study is pointing out that the employees working in three to five starred hotels in East Java have already responded planned changes positively; a better attention is meant to provide these employees better and more developed thinking paradigm. If the hotel management is able to provide accurate trainings, which answers the need of the employees, fingers crossed that this will also help their career acceleration.

For next research suggestion will be good if the researcher is able to expand the data distribution such as doing research in another region of Indonesia because this research is limited only in East Java province. Academically, the role of hope as a dimension of psycap is

still lack in empirical evidence and also varied in result. Therefore, it is suggested that additional empirical evidence that emphasize on the role of hope is necessary conducted.

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