The Effects of Entrepreneurial Leadership, Recruitment and Innovation on Learning Organization and Organizational Performance of Four Star Hotels in East Java

Mohammad Soleh, Ida Aju Brahmasari, Ida Aju Brahma Ratih

Author
Doctor of Economic Universitas 17 Agustus 1945 Surabaya
helosrahman@gmail.com, brahmasari@untag-sby.ac.id, brahmaratih@untag-sby.ac.id

ABSTRACT

Purpose: The purpose of this study is to analyze the effects of entrepreneurial leadership, recruitment and innovation to learning organization and organizational performance at four-star hotels in East Java.

Design/methodology/approach: The research design used an explanatory research approach, with the research sample being the leadership or management of a four-star hotel in East Java, with a total sample of 71 respondents. The analytical technique used is SEM-PLS (SEM-Partial Least Square).

Findings: The results of the analysis conclude that there are five accepted hypotheses, namely (1) entrepreneurial leadership has a positive and significant effects on learning organizations, (2) recruitment has a positive and significant effects on learning organizations, (3) innovation has a positive and significant effects on learning organizations, (4) innovation has a positive and significant effects on organizational performance, (5) learning organization has a positive and significant effects on organizational performance.

Research limitation/implications: The rest, there are two rejected hypotheses, namely (1) entrepreneurial leadership has no significant effects on organizational performance, and (2) recruitment has no significant effects on organizational performance.

Originality/value: This Paper is original

Paper Type: Research paper

Keyword: Entrepreneurial Leadership, Innovation, Learning Organization, Organizational Performance, Recruitment.

Received : November 2nd
Revised : November 12th
Published : November 30th

I. INTRODUCTION

The Hotel industry is strongly influenced by the development of tourist arrivals. The development of the hotel industry business in East Java shows a significant increase. In 2016 the number of star hotels in East Java was 139 hotels, then in 2020 the number of star hotels rose to 166 hotels. Meanwhile, the development of four-star hotels in East Java also shows an increasing trend. In 2016, the number of four-star hotels in East Java was 37 hotels and in 2020 to 47 hotels or an increase of 66.97%.

The number of foreign and domestic tourist visits to East Java which increases every year is ideally followed by an increase in the occupancy rate of hotel rooms, but in fact, based on data from the National Central Bureau of Statistics, in 2016 the occupancy rate of five-star hotels in East Java was 70.71%, in 2017 fell to 59.57%, in 2018 it fell again to 56.35%, in 2019 it fell again to 55.49%, and in 2020 it fell drastically only to 01.53%.
The decline in the occupancy rate of five-star hotels is a phenomenon that occurs in the hotel industry in East Java and is a fact that is not directly proportional to the number of foreign and domestic tourist visits to East Java and the occupancy rate of five-star hotel rooms in Indonesia which is experiencing an increasing trend. The occupancy rate of five-star hotels in East Java which tends to decrease has an impact on intense competition between one hotel and another, resulting in a price war between five-star hotels in East Java, the price war that occurs has resulted in the average selling price of rooms in East Java decreasing so that there is an impact on declining revenues, on the other hand management is faced with the fact that hotel operating costs increase every year. Management is required to have the right strategy to deal with the problem of declining revenues and increasing costs so that hotels do not experience business losses, hotel business losses experienced in the long term can threaten the sustainability of the hotel business.

The decline in hotel occupancy was due to the addition of new hotels which caused an imbalance between consumer demand for hotel rooms and the availability of existing rooms. Another reason is the growth of apartments that have five-star hotel facilities and operate like a hotel by renting out rooms on a daily basis. Another reason that is most noticeable is the economic crisis due to the covid 19 pandemic that occurred in 2020. The Covid-19 pandemic caused by SARS-Cov-2 has made the hotel sector that relies on business and the tourism industry decline in performance. Data from the Indonesian Hotel and Restaurant Association (PHRI) as reported by the Ministry of Tourism and Creative Economy (Kemenparekraf) shows that 1,266 hotels have temporarily suspended their operations. This had to be done as a tactical step, in order to avoid greater losses as the occupancy rate plummeted to its lowest point, and was the worst in the history of Indonesian hospitality.

The coronavirus (Covid-19) pandemic has caused massive losses for hotel and restaurant entrepreneurs. As of June 2020, the Indonesian Hotel and Restaurant Association (PHRI) recorded a loss of Rp 85 trillion. This condition causes many entrepreneurs to make efficiency in terms of labor. Chairman of PHRI Hariyadi Sukamdani said that efficiency is one of the keys to saving the company, causing 1,500,000 employees in hotels and restaurants to be threatened with being laid off, furloughed outside the company's responsibility, and also being laid off (PHK), around 500,000 people from work. hotel sector and around 1,000,000 employees from the restaurant sector (detik.com accessed February 24, 2021).

One of the performance indicators of a hotel is the occupancy rate of hotel rooms, a decrease in the occupancy rate of rooms in a hotel will have an impact on decreasing hotel revenues. If the hotel room occupancy rate is below 50%, it is estimated that the hotel will not get a business profit. The management of a hotel must continue to strive so that the occupancy rate of hotel rooms increases to increase hotel revenues, in addition to offset the operational costs that increase every year due to increases in city/district minimum wages, increases in prices of basic commodities, energy and transportation. Hotels need to adapt to dynamic changes to the impact of technological developments, crises and the economy that is more adaptive than ever before since the competition in the hospitality industry is getting tougher. Each hotel is competing to attract consumers to use its facilities with various strategies, including offering discounted prices, additional benefits or benefits, improving services, this is done so that the previously achieved room occupancy rate can be maintained or not decreased.

State the objectives of the work and provide an adequate background, avoiding a detailed literature survey or a summary of the results. Explain how you addressed the problem and clearly state the aims of your study. As you compose the introduction, think of readers who are not experts in this field. Introduction must be written using 750 until 1000 words.

From the existing phenomena, the authors are interested in conducting research with the title of the effects of entrepreneurial leadership, recruitment, innovation on learning organizations and the performance of four-star hotels in East Java. The author's interest is caused by several things, namely:

1. Entrepreneurial Leadership is one of the characteristics of leadership in managing a business that can answer the challenges of very tight competition in the hospitality industry and crisis conditions such as during the COVID-19 pandemic to be able to survive & rise after the pandemic through leadership that motivates employees, is innovative, reliable, solution and able to deal with internal and external pressure of the hotel
2. During the pandemic, some workers were laid off by most hotels, efforts to recruit competent workers must be made to prepare services when the condition of the hospitality industry improves. The recruitment system owned by the hotel will greatly affect the quality of human resources who will manage the hotel business.
3. All aspects of the hotel industry business have changed drastically, management needs a reliable innovation system to deal with drastic changes when competition conditions are very tight and a pandemic.
4. The hotel's challenge in conditions of declining room occupancy and income is to continue to provide opportunities and support to hotel employees to develop employee competencies through various training, coaching, counseling activities so that employees and management are expected to be able to adapt internally effectively and efficiently to adapt to external changes that occur Generally.

5. Four-star hotels are managed by international or national chain hotels so that they have standardized operational standards and systems so that four-star hotels have the same set of performance measures.

6. Four-star hotels were chosen because they are spread over several cities or regencies in East Java.hotel industry.

The research gap in this study is based on several previous studies which are still inconsistent. Gede Supartha & Nugraheni Saraswaty (2019) stated that entrepreneurial leadership has a positive effect on organizational performance. The Influence of Servant and Entrepreneurial Leadership on the Work Outcomes of Employees in Social Enterprises, which states the opposite, the influence of entrepreneurial leadership on organizational performance is not significant. Furthermore, Syam et al. (2018) state that innovation affects learning organizations, also corroborated by Dias & Escoval, 2015; Gil et al. (2018). Different results are shown by Hamdani & Susilawati (2018) in their research on the application of information system technology and learning organization to product innovation capability and its impact on business performance of the leather tanning industry, which shows the opposite condition, that technology is a form of innovation that cannot have an impact, directly on business performance, learning organization is also known not to be related to product innovation ability. The research results that still provide inconsistent results, then a research gap appears as a justification for the authors to examine the effect of entrepreneurial leadership, recruitment, and innovation on organizational learning, and organizational performance.

The novelty of research is known in previous research that has not been found that examines the recruitment system for learning organizations, there is only a theory of the path of recruitment influence on organizational performance, so that the novelty of the research lies in the recruitment path to learning organizations.

II. LITERATURE REVIEW

A. Organizational Behaviour

Organizational behavior is classified as a new science emerged and comes from the contribution of science others on behavior such as psychology, social psychology, sociology, and anthropology (Robbins & Judge, 2007). Today, the issue that drives organizational behavior learning is globalization, a changing workforce, information technology, labor relations, and business ethics (McShane & Glinow, 2017). The need to understand, predict, and influence events What happens in the organization is also the main reason for studying this science (McShane & Glinow, 2017).

The definition of organizational behavior is the study of behavior people in the organization. An organization is a collection of individuals who coordinated to work together on an ongoing basis to achieve common goals (Saint-André, 2008). Meanwhile, another definition of organizational behavior is science which studies the perceptions, values, and actions of individuals when working together in groups and organizations as a whole and analysis of the effects of the external environment towards the organization (Ivanovich et al., 2011).

An organization and its members have a reciprocal relationship where both parties influence each other, it is difficult to study just one without regard to the other (Griffin & Moorhead, 2007). Compared to other related sciences such as human resource management, organizational behavior has a theoretical and analytical orientation occurs at the micro level (Luthans et al., 2012).

There are 3 main focuses in organizational behavior, namely individual behavior (e.g. personality, perception, motivation) group behavior (e.g. norms, regulation, conflict, leadership) and organizational aspects (e.g. structure, culture, other policies and practices) (Robbins & Coulter, 2013).

The main goal of organizational behavior is to increase welfare of organizational members or company employees and improve organizational effectiveness Saint-André (2008) by representing an approach regarding behavior to management (Luthans et al., 2012).

B. Entrepreneurial Leadership

Entrepreneurial leadership is leadership that has the attitude and behavior as an entrepreneur who can create change rather than transact, because the change will make the company more developed and run following the prevailing market trends (Thornberry, 2006). Entrepreneurial leadership according to Highley
et al. (2002) is leadership that leads innovatively, is fully involved in work, is able to see opportunities and take advantage of them according to their own ways and methods. According to Corbin & Strauss (2007), entrepreneurial leadership is a leadership style that is able to delegate, is able to build employees to behave responsibly, be able to make and make decisions, and work independently. From this understanding, it can be seen that leadership lies in people who have a positive influence on others who work with them and are fully involved in the work they have set and the decisions they make. According to Thornberry (2006:24), entrepreneurial leadership is an entrepreneur who can create change rather than transacting with other companies, because changes will make change more developed and follow the prevailing market trends.

Based on several expert opinions about entrepreneurial leadership, it can be concluded that entrepreneurial leadership is the attitude and ability of a person in leading an organization that is able to lead innovatively, be fully involved in work, and see opportunities and dare to take risks in utilizing them according to their own ways and methods to create change, including a new culture within the organization.

Elements in entrepreneurial leadership according to (Winardi, 2008), there are a number of elements of the entrepreneurial profile, namely responsibility, preference, belief, desire, high level of energy, forward orientation, and tolerance. Leaders who have entrepreneurial abilities tend to create

Risk and the dark side of entrepreneurial leadership. Based on the exposure of several studies, this study refers to the research of Chen (2007); Fernald et al. (2005); Sucipta & Rahyuda (2015); Varshney et al. (2014) which consists of the dimensions of Ability to motivate, Visionary, Proactive, Innovativeness, Risk Taking, Achievement oriented, Persistence.

C. Recruitment

Recruitment is something that is done by the company in publishing job vacancies to the public with qualifications determined by the company, so that prospective applicants are ready to be selected. According to Singodimedjo in Sutrisno (2016:45) recruitment is a process of seeking, finding, and attracting applicants to be employed in an organization. According to Sulistiyani & Rosidah in Sunyoto (2012:93) said: labor withdrawal or recruitment is the process of finding, finding, and attracting applicants to become employees at and by certain organizations as a series of activities to find and attract job applicants by motivating, ability, expertise, and the knowledge needed to cover deficiencies identified in personnel planning. Opinion of James A.F. Stoner in Supomo & Nurhayati (2018:41) recruitment is the process of gathering prospective position holders in accordance with the human resource plan to occupy a certain position or job.

The definition of recruitment is also put forward by Bangung (2012:140) recruitment (withdrawal) of workers is the process of searching for prospective workers who meet the requirements in the number and types needed. According to Samsudin (2010:81) the purpose of recruitment is to get prospective employees who allow the recruiter management to select or select candidates according to the qualifications required by the organization or company. The more prospective employees that are successfully collected, the better because the possibility of getting the best candidates will be even greater.

The conclusion of the definition of recruitment is the process of gathering candidates for certain positions in accordance with the human resource plan and organizational recruitment standards to search for, find, suitable job applicants for positions that have been determined in an organization. Before an employee can be recruited to fill a certain position, the recruiter must have a clear picture of the duties and obligations required to fill the offered position. If a position has been analyzed, then the description or written statement regarding the position and position in the company/organization will be clearly stated. A good recruitment strategy will give positive results for the organization or company. The more effective the recruitment and selection process, the more likely it is to find the right employees.

D. Innovation

In this era of globalization, business management is required to continue to innovate, present new, unique, more efficient, and better products and services to compete with competitors and attract consumers so that the company's business can be sustainable. Larsen et al. (2007) explain that one of the most important characteristics of entrepreneurs is their ability to innovate. Without innovation, a company's business will not last long. According to the Big Indonesian Dictionary, innovation is a new invention that is different from existing or previously known ones (ideas, methods, or tools) (http://kbhi.web.id/). Innovation requires the search for new opportunities, (Wiratmo, 2014). Innovation is also the ability to combine existing production elements in new and better ways.

According to Smith et al. (2011) innovation is a company mechanism to adapt to a dynamic environment. Smith et al proposed two innovation concepts, namely innovation and capacity to innovate. Innovation is the thought of being open to new ideas as an aspect of corporate culture, while capacity to
innovate is the company's ability to use or implement new ideas, processes/products successfully. The better the innovation capacity building, the more effectively a company can carry out the innovation process so that the stronger the innovation performance.

According to Rogers (1983) innovation is an idea, idea, practice or object/object that is realized and accepted as something new by a person or group for adoption. Innovation according to Edquist (2001) is new creations (in the form of material or intangible) that have significant (significant) economic value, which are generally carried out by companies or sometimes by individuals. Rosenfeld (2002) argues that innovation is the successful exploitation of a new idea Mitra (2001), stating that innovation is the mobilization of knowledge, technological skills and experience to create products, new processes and services. Peter F. Drucker in his book Innovation and Entrepreneurship says that innovation has a unique function for entrepreneurs. With innovation, entrepreneurs create both new production resources and processing existing resources with increased potential value to create capital.

Managers must create an organizational climate that promotes the development of the capabilities necessary to innovate. In essence, innovation is doing something different and has added value. In addition, innovation is related to the development of new production methods and the formation of new management systems (Crossan & Apaydin, 2001). Dynamic environmental conditions require the ability of innovation to adopt new products and processes in order to increase company profits (Rogers, 1995).

Innovation capability is the most important determinant of company performance. This includes implementing new ways of identifying the wants and needs of the internal and external environment. Innovation is success in implementing creative ideas in organizations by taking into account the work environment and organizational factors (Amabile et al., 1996).

Based on the opinion of experts, it can be concluded that innovation is the ability of an organization to adapt to a dynamic environment through the creation of planned new ideas or ideas, applying new ideas to existing opportunities to provide added value to its resources through methods programs, actions, products, and or services that are considered new by individuals or groups who adopt them. The ability to innovate is also one of the characteristics that every entrepreneur or entrepreneur must possess. Innovative entrepreneurs are entrepreneurs who are able to create new things to continue to grow. An innovative entrepreneur can be seen from his ability to implement every creative idea he thinks of to create opportunities.

E. Learning Organization

The concept of Learning Organization or learning organization was introduced by Peter Senge in 1990 who explained that learning organizational practices is mandatory for organizations to create an environment that supports employees in order to learn new knowledge and share it well with all other employees.

Roberts et al. (1994) define learning as the ongoing testing of experience, and the transformation of that experience into knowledge that is accessible to the entire organization, and relevant to its core objectives. Jamali (2009) mentions that in true learning organizations, people at all levels, individually and collectively work to increase the capacity to produce results on an ongoing basis. The concept of learning organization has emerged in recent years. It encourages both academics and practitioners to produce a large number of textbooks and studies, and has been widely indicated as a recipe for profitable organizational action and sustained competitiveness.

Learning organization or learning organization is defined as an organization in which everyone in it continues to develop their own capacity to achieve the goals they want, this is a new pattern for natural thinking and doing learning activities to learn together Senge (1990), Senge developing the concept of a learning organization as an organization that does a thorough job in which everyone does their work together to create innovative solutions and continue to develop themselves for future success. Senge expressed his opinion that there are five basic elements of a learning organization, namely personal mastery, mental models, shared vision, team learning, and systems thinking. According to Tjakraatmadja & Lantu (2006:123), a learning organization is a company that realizes the importance of training and development related to sustainable performance and is willing to take appropriate action. Marsick & Watkins (2003) view the learning organization as an integrative system that is used in the workplace and organizational environment to improve and support the learning process.

Based on the opinion of experts about learning organizations, it is concluded that learning organizations are organizations that realize the importance of the learning process for employees through the support of an integrative system that is used within the organization to increase the capacity of all people in the organization to achieve organizational goals.
F. Organizational Performance

Performance is a description of the level of achievement of the implementation of an activity/policy program in realizing the goals, objectives, mission and vision of the organization contained in the formulation of the strategic plan (strategic planning) of an organization (Moeheriono, 2014). Performance is the result achieved from the behavior of organizational members Gibson (1988). The desired outcome of the organization from the behavior of the people in it is referred to as organizational performance. Organizational performance as a concept has undergone various developments in measurement and definition. According to Mulyadi (2007) company performance as the overall success of the company in achieving the strategic goals that have been set through strategic initiatives of choice.

Hugh J. Arnold and Daniel C Feldman in (Uno & Lamatenggo, 2012:118) say that performance is a series of behaviors and activities individually in accordance with organizational expectations or goals. Keinan (1995:1) states that performance is the level of goal achievement. Which means that performance is described as a stratification or assessment of a job in terms of how high the level of achievement of the results for the goals set is.

Ivancevich, J. L. Gibson et al. (1996:48) say that performance is the main measure of the success of an organization and its responsibilities. This opinion asserts that performance is an organizational standard to achieve success for which it is responsible. Prawirosentono (1999:2) says that performance is the result of work that can be achieved by an employee or group of employees in an organization in accordance with their respective authorities and responsibilities in an effort to achieve the goals of the organization concerned legally, not violating the law and in accordance with morals and ethics. . According to Bastian in Tangkilisan (2005:175) organizational performance is a description of the level of achievement of the implementation of tasks in an organization in realizing the goals, objectives, vision and mission of the organization.

From various definitions of organizational performance by experts, it can be concluded that organizational performance is the performance or appearance or work of the organization in achieving organizational goals and can be measured by standards that have been set for a certain period.

The performance measurement method in this study using the balanced scorecard approach is a performance measurement concept introduced by Kaplan & Norton (2000:22) as a comprehensive performance measurement method arranged in four perspectives, namely financial, customer, internal business processes, learning and growth.

According to Kaplan & Norton (2000:17), the balanced scorecard performance measurement method is a framework for integrating various measures derived from the company's strategy, namely past financial performance measures and introducing drivers of future financial performance. This framework includes a customer perspective, internal business processes, and learning and growth, derived from the process of translating an explicitly and rigorously implemented corporate strategy into tangible goals and measures. The balanced scorecard is a group of measures that are directly related to a company's strategy. A score card is a card used to record a person's performance score. Through the scorecard, the score that personnel will achieve in the future is compared with the actual performance results. The results of this comparison are used to evaluate the performance of the personnel concerned. According to Kaplan & Norton (2000:55), there are four perspectives on the balanced scorecard of performance measures, namely the financial perspective, the customer perspective, the internal business process perspective, and the learning and growth perspective.

The research model is an arrangement of logical constructs arranged in order to explain the variables studied. This framework is formulated to explain the construct of logic flow to systematically examine empirical beliefs. The research model is intended to clarify the variables studied so that the measurement elements can be detailed in a concrete manner. The conceptual framework relates to how researchers construct a theory logically from several factors that are considered important for the problem. Through the conceptual framework, it will be easier to understand the research design, starting from the use of theory and the placement of variables resulting from the design model until the specific steps of the research that are constructed are obtained. Based on the conceptual framework and research variables, a research model can be formed as presented in Figure 1.
III. METHODOLOGY

This research is an explanatory research. Sugiyono (2014:10) states that explanatory research is research that explains the causal relationship between the influencing variables according to the hypothesis. The research population is all four-star hotels in East Java according to data from the East Java Tourism Culture Service, totaling 36 four-star hotels that have been certified by the Ministry of Tourism and Creative Economy from 47 four-star hotels. The sampling technique that will be used is the census, meaning that the researcher will take the 36 hotels as research samples. However, in the process, researchers were able to get permission to collect data on only 25 hotels.

The research sample is a four-star hotel in East Java, and the unit of analysis in this study is the leadership or management of the hotel. The unit of analysis for the leadership or hotel management may consist of the General Manager, Assistant General Manager, and Head of Department. The three positions above were chosen based on their consideration that they are management who have direct knowledge of hotel management and also know the level of hotel performance. The number of units of analysis in each hotel may vary, due to the different management characteristics of each hotel. The research instruments in data collection for this study were questionnaires and questionnaires, while the analysis technique used SEM Partial Least Square (SEM-PLS) with the help of Smart PLS v.3 software.

IV. RESULT AND DISCUSSION

A. Validity and Reliability Test

The results of the validity test show that the corrected item-total correlation (rcorrected) value for each measurement item has a value greater than 0.30. The significance value of the Pearson correlation on all statement items is also smaller than the significant level (Sig.≤5%). Thus, it can be decided that all statement items are valid and can be used to measure entrepreneurial leadership, recruitment, innovation, learning organization, and organizational performance variables.

The results of the reliability test also show that the value of Cronbach’s alpha on the variable produces a value greater than 0.60, so it can be concluded that the preparation of statement items used to measure the entrepreneurial leadership, recruitment, innovation, learning organization, and organizational performance variables can be declared reliable and trustworthy, as a consistent measure.

B. Descriptive Statistics

Description of the characteristics of the leadership or management of 4-star hotels in East Java who became respondents in this study were mostly male (76.1%), aged 41-45 years (23.9%), worked more than 9 years (52.1%), is married (84.5%), has 1 and 2 children (71.8%), and the last education held is Diploma and Bachelor's degree (77.5%).
The leaders of 4-star hotels in East Java are mostly men, because men generally have advantages in how to lead compared to women. Male leaders think more logically, rarely use emotions, are more professional, don't beat around the bush, are able to make wiser decisions, talk more about facts than opinions, and prioritize work plans and company strategies. In contrast to female leaders who have high empathy strengths, delegate tasks better, and are able to talk about many things at one time. However, in general, women have a lack of emotional involvement in work, are easily influenced by moods, and often bring problems home to work.

Leaders of 4-star hotels in East Java are also mostly 41–45 years old (23.9%), due to age maturity and a lot of experience, making this age range appropriate to lead. The 4th President of the Republic of Indonesia, Bacharuddin J. Habibie revealed that there are 3 ideal characters for leaders, both government leaders and company leaders, namely 40–60 years old, problem solver, and have a clear path (mature experience). Furthermore, the leaders of 4-star hotels in East Java also mostly have more than 9 years of service, are married, have 1 and 2 children, and have Diploma and Bachelor’s education. Maturity age and high working period, of course, most of them are married and have enough children, with high education.

Descriptive data analysis is to describe the results of the analysis of respondents' answers by describing the assessment of the leadership or management of 4-star hotels in East Java who became respondents in this study, based on the collected questionnaire data relating to each variable studied. In the analysis of the description of each research variable, the average respondent's response to each indicator and overall on each research variable will be explained.

The average results of respondents' responses to each statement item, indicator, and variable can then be categorized using the class interval formula guide as follows (Nazir, 2009:379), namely:

\[
\text{Class Interval} = \frac{\text{Highest score} - \text{Lowest score}}{\text{total of Class interval}} = \frac{5 - 1}{5} = 0.80
\]

The resulting class interval is 0.80, this value is then used as a guideline to determine the category based on the average interval, which is as follows:

- 1.00 < mean ≤ 1.80 : strongly low (SL)
- 1.80 < mean ≤ 2.60 : Low (L)
- 2.60 < mean ≤ 3.40 : neutral (N) / fair
- 3.40 < mean ≤ 4.20 : high (H)
- 4.20 < mean ≤ 5.00 : strongly high (SH)

Descriptions of respondents' assessments of entrepreneurial leadership, recruitment, innovation, learning organization, and organizational performance are presented in Table 2:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Item</th>
<th>Item mean</th>
<th>Indicator mean</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Leadership (X1)</td>
<td>Able to Motivate (X1.1)</td>
<td>Stimulate other people’s work spirit</td>
<td>4.38</td>
<td>SH</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Directing others</td>
<td>4.25</td>
<td>SH</td>
</tr>
<tr>
<td></td>
<td>Visionary (X1.2)</td>
<td>Understanding the picture of the company’s business in the future</td>
<td>4.27</td>
<td>SH</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Able to convey company business to others</td>
<td>4.23</td>
<td>SH</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Able to convey self-expectations about the company's business to others</td>
<td>4.24</td>
<td>SH</td>
</tr>
</tbody>
</table>
Able to convince others about the company’s business prospects 4.21 SH

Provide a positive response to events that occur 4.24 SH

Able to see and read opportunities that occur in the market 4.30 SH

Act faster in responding to changes that occur 4.32 SH

Follow up on every execution of existing business opportunities 4.24 SH

Actively looking for new product ideas or business processes 4.39 SH

Invite others to think about finding a new product or business process 4.35 SH

Following others the freedom to create new products or business processes 4.13 H

Encouraging others to be creative in creating new products or business processes 4.25 SH

Be prepared for the possibility of material loss at work 3.82 H

Be prepared for the possibility of financial loss at work 3.70 H

Be willing if there is a possibility of loss in aspects of social life at work 3.63 H

Pay more attention to the business or business that you are involved in 4.18 H

Able to delegate tasks well while supervising the process 4.21 SH

Want to oversee business processes from upstream to downstream 4.23 SH

Want to change the plan that has been planned if there is better input 4.15 H

Have resistance to work pressure 4.21 SH

Act concretely when there are obstacles that arise 4.18 H

Be persistent in overcoming any difficult obstacles 4.23 SH

Continue to persist in his work even though it is full of challenges 4.24 SH
<table>
<thead>
<tr>
<th>Component</th>
<th>Score 1</th>
<th>Score 2</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have Recruitment policy</td>
<td>4.25</td>
<td>SH</td>
<td></td>
</tr>
<tr>
<td>Have Job Description</td>
<td>4.24</td>
<td>4.25</td>
<td>SH</td>
</tr>
<tr>
<td>Have Job Qualification</td>
<td>4.25</td>
<td>SH</td>
<td></td>
</tr>
<tr>
<td>Transparent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F&amp;B Products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meeting Room Products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F&amp;B</td>
<td>4.14</td>
<td>H</td>
<td></td>
</tr>
<tr>
<td>Banquet</td>
<td>4.19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market segment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Geography</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demographics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair</td>
<td>4.23</td>
<td>SH</td>
<td></td>
</tr>
<tr>
<td>Have information on recruitment terms</td>
<td>4.24</td>
<td>SH</td>
<td></td>
</tr>
<tr>
<td>Information is disseminated widely and openly</td>
<td>4.17</td>
<td>H</td>
<td></td>
</tr>
<tr>
<td>Rooms</td>
<td>4.24</td>
<td>SH</td>
<td></td>
</tr>
<tr>
<td>Food and Beverage Product</td>
<td>4.30</td>
<td>4.22</td>
<td>SH</td>
</tr>
<tr>
<td>Meeting Rooms</td>
<td>4.11</td>
<td>H</td>
<td></td>
</tr>
<tr>
<td>Marketing Service</td>
<td>4.25</td>
<td>SH</td>
<td></td>
</tr>
<tr>
<td>Food and Beverage Service</td>
<td>4.18</td>
<td>4.19</td>
<td>H</td>
</tr>
<tr>
<td>Banquet Service</td>
<td>4.13</td>
<td>H</td>
<td></td>
</tr>
<tr>
<td>Market Segment</td>
<td>4.15</td>
<td>H</td>
<td></td>
</tr>
<tr>
<td>Geography</td>
<td>4.07</td>
<td>4.07</td>
<td>H</td>
</tr>
<tr>
<td>Demographics</td>
<td>4.00</td>
<td>H</td>
<td></td>
</tr>
</tbody>
</table>
### Learning Organization (Z)

- **Continuus Learning (Z.1)**
  - Creating sustainable learning opportunities
  - Advancing investigation and dialogue
  - Encouraging collaboration and team learning
  - Developing systems to capture and deliver learning
  - Giving authority to have a collective vision

- **Dialogue (Z.2)**
  - Connecting organizations to the environment

- **Empowerment (Z.3)**
  - Using leaders as models and advocates of learning at individual, group, and organizational levels
  - Learning plan programs

### Organizational Performance (Y)

- **Financial (Y.1)**
  - Room Occupancy Rate
  - Cost Efficiency
  - Profit

- **Customer Service (Y.2)**
  - Customer retention
  - New Customer

- **Internal Business Process (Y.3)**
  - Service Process
  - Production process
  - After Event Service
  - Training Program

- **Learning and Growth (Y.4)**
  - Motivation program

The description of each indicator on the variables of entrepreneurial leadership, recruitment, innovation, organizational learning, and organizational performance can be more easily explained in graphical form, as in Figure 2. This figure shows the value of each indicator and is divided into five categories, namely strongly disagree, agree, neutral, agree, and strongly agree according to the class interval formula described previously.

### C. PLS: Outer Model Evaluation

#### a. Convergent Validity
Convergent validity in PLS assessed based on outer loading and AVE (Average Variance Extracted). The rule of thumb used for convergent validity is outer loading 0.50 and AVE 0.50 (Hair et al., 2017:130). The results of the convergent validity test based on the outer loading value for each indicator on the entrepreneurial leadership, recruitment, innovation, learning organization, and organizational performance variables can also be seen in Figure 3 below:

![Figure 2. Output of PLS Algorithm](image)

Figure 3 shows that all indicators already have an outer loading value above 0.50, so it is concluded that they are valid in measuring variables of entrepreneurial leadership, recruitment, innovation, learning organization, and organizational performance.

b. Discriminant Validity

The second evaluation in the analysis of the outer model is discriminant validity. Discriminant validity was evaluated by cross loading and Fornell-Larcker criterion. The results of the cross loading calculation show that all indicators have met discriminant validity because they have the largest cross loading value for the variables they form and smaller for other variables. The Fornell-Larcker Criterion value produces a value for each variable that is greater when compared to the correlation value between that variable and other variables in the model, so it can be concluded that the entrepreneurial leadership, recruitment, innovation, learning organization, and organizational performance variables have good discriminant validity.

c. Composite Reliability

The next evaluation in the outer model analysis is internal consistency. Internal consistency tests the consistency of indicators in measuring a construct. Internal consistency in PLS can use two measures, namely cronbach's alpha and composite reliability. Cronbach's alpha measures the lower limit of the reliability value while composite reliability measures the real value of the reliability of a construct. The rule of thumb for cronbach alpha is greater than 0.60, while the rule of thumb for composite reliability must be greater than 0.70, although a value of 0.60 is still acceptable (Hair et al., 2017:127).

The internal consistency value of each research variable has a Cronbach's Alpha value of more than 0.60 and a Composite Reliability value of more than 0.70. Thus, it can be concluded that each variable of entrepreneurial leadership, recruitment, innovation, learning organization, and organizational performance has met good reliability.

D. PLS: Inner Model Evaluation

The evaluation of the structural model has several steps, namely measuring the level of R2, measuring the level of f2, measuring the level of Q2, evaluating the suitability of the model (model fit), testing the significance of model parameters (testing hypotheses), and analyzing direct effects, indirect effects, and total effects.

a. Coefficients of Determination Analysis ($R^2$)

Based on data processing using SEM-PLS, the resulting R2 adjusted value for the learning organization variable is 0.781, meaning that the percentage of the influence of entrepreneurial leadership, recruitment, and innovation on learning organizations is 78.1% and is included in the large category (substantial). Furthermore, the adjusted R2 value on the organizational performance variable is 0.694, which means that...
the percentage of the influence of entrepreneurial leadership, recruitment, innovation, learning organization on organizational performance is 69.4% and is included in the large category (substantial).

b. \( f^2 \) effect size Analysis

The second evaluation on the inner model is seen from the value of \( f^2 \). The value of \( f^2 \) indicates the contribution of the exogenous construct to the R2 of the endogenous construct. In the learning organization, the greatest value is in the entrepreneurial leadership construct (1.330), this indicates that the construct that contributes the most to changes in the value of the learning organization is entrepreneurial leadership, followed by recruitment and innovation. Furthermore, the construct that contributes the most to changes in organizational performance value is innovation, followed by organizational learning, recruitment, and finally entrepreneurial leadership.

c. Predictive Relevance Analysis (\( Q^2 \)-Square)

The results of the PLS analysis show that \( Q^2 \) values all meet the criteria of more than 0, then can be classified as having high predictive relevance for all endogenous constructs, meaning that entrepreneurial leadership, recruitment, innovation, and learning organization variables have great relevance in predicting organizational performance in 4 star hotels in East Java.

d. Model Fit Analysis (Model Fit)

Model fit analysis was conducted to see whether the model used in this study was in accordance with the empirical data or not. In measuring the fit model, it is done with the Standardized Root Mean Square Residual (SRMR) value. The SRMR represents the degree of difference between the model and the data, and a small value close to zero is expected. Hair et al. (2017:208) explained that the limit of the SRMR value of less than 0.08 indicates a fit or good fit model. The results of the evaluation of the PLS model fit model show an SRMR value of 0.069, this value is smaller than 0.08, so it is concluded that the model developed in this study has a good model fit or is called good fit.

e. Hypothesis Testing Results

Testing the significance of the path of influence between variables in accordance with the research hypothesis using the SmartPLS software is carried out using the bootstrapping path coefficient table. The results of the bootstrapping resulted in a test of the significance of each path. In the 2-tailed test, the research hypothesis can be accepted if the t-count value (T-statistic) 1.96 or the p-value is smaller than the error rate (\( \alpha \)) 5%. The following is the path coefficient value (original sample estimate), the t-count value (t-statistics), and the p-value in the PLS model:

<table>
<thead>
<tr>
<th>Hyp.</th>
<th>Path</th>
<th>Coef.</th>
<th>Stdev</th>
<th>T-stat</th>
<th>P-values</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>( H_1 )</td>
<td>Entrepreneurial Leadership ((X_1) \rightarrow Learning Organization (Z))</td>
<td>0.600</td>
<td>0.129</td>
<td>4.666</td>
<td>0.000*</td>
<td>Significant</td>
</tr>
<tr>
<td>( H_2 )</td>
<td>Entrepreneurial Leadership ((X_1) \rightarrow Org. Performance (Y))</td>
<td>0.084</td>
<td>0.142</td>
<td>0.592</td>
<td>0.554**</td>
<td>Not Significant</td>
</tr>
<tr>
<td>( H_3 )</td>
<td>Recruitment ((X_2) \rightarrow Learning Organization (Z))</td>
<td>0.271</td>
<td>0.076</td>
<td>3.561</td>
<td>0.000*</td>
<td>Significant</td>
</tr>
<tr>
<td>( H_4 )</td>
<td>Recruitment ((X_2) \rightarrow Org. Performance (Y))</td>
<td>0.181</td>
<td>0.121</td>
<td>1.491</td>
<td>0.136**</td>
<td>Not Significant</td>
</tr>
<tr>
<td>( H_5 )</td>
<td>Innovation ((X_1) \rightarrow Learning Organization (Z))</td>
<td>0.259</td>
<td>0.096</td>
<td>2.703</td>
<td>0.007*</td>
<td>Significant</td>
</tr>
<tr>
<td>( H_6 )</td>
<td>Innovation ((X_1) \rightarrow Org. Performance (Y))</td>
<td>0.486</td>
<td>0.108</td>
<td>4.516</td>
<td>0.000*</td>
<td>Significant</td>
</tr>
</tbody>
</table>
The Effects of Entrepreneurial Leadership, Recruitment and Innovation on Learning Organization and Organizational Performance of Four Star Hotels in East Java
Mohammad Soleh, Ida Aju Brahmasari, Ida Aju Brahma Ratih

The results of this study support the theory and empirical studies of previous research results so as to strengthen the theory and results of previous research, namely: (1) entrepreneurial leadership has a positive and significant effect on learning organizations, (3) recruitment has a positive and significant effect on learning organizations, (4) innovation has a significant impact on learning organizations, positive and significant impact on the learning organization, (6) innovation has a positive and significant effect on organizational performance, (7) learning organization has a positive and significant effect on organizational performance.

The influence between variables on the four hypotheses that are not accepted will be input for the application of a theory whose results can be different if the characteristics of the organization are different, meaning that the influence between variables carried out in organizations that have different types, management strengths and internal and external environments, can achieve different results. different. This is evident from the results of this study that there are four research hypotheses that do not support the theory and the results of previous studies, namely: (1) entrepreneurial leadership has no significant effect on organizational performance, and (3) recruitment has no significant effect on organizational performance.

f. Direct Effect, Indirect Effect, dan Total Effect Analysis
The next stage of inner model analysis is the analysis of the direct effect, indirect effect, and total effect. The results of the calculation of the direct, indirect, and total influence coefficients are presented in the following:

**Table 3. Summary of the direct effect, indirect effect, and total effect**

<table>
<thead>
<tr>
<th>Path</th>
<th>Direct Effect</th>
<th>Indirect Effect via Z</th>
<th>Total Effect on Y</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coef.</td>
<td>Type</td>
<td>Coef.</td>
</tr>
<tr>
<td>Entrepreneurial Leadership (X₁) (\rightarrow) Learning Organization (Z)</td>
<td>0.600*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Entrepreneurial Leadership (X₁) (\rightarrow) Org. Performance (Y)</td>
<td>0.084*</td>
<td>0.241*</td>
<td>f.m</td>
</tr>
<tr>
<td>Recruitment (X₂) (\rightarrow) Learning Organization (Z)</td>
<td>0.271*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recruitment (X₂) (\rightarrow) Org. Performance (Y)</td>
<td>0.181*</td>
<td>0.109*</td>
<td>f.m</td>
</tr>
<tr>
<td>Innovation (X₃) (\rightarrow) Learning Organization (Z)</td>
<td>0.259*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Innovation (X₃) (\rightarrow) Org. Performance (Y)</td>
<td>0.486*</td>
<td>0.104*</td>
<td>p.m</td>
</tr>
<tr>
<td>Learning Organization (Z) (\rightarrow) Org. Performance (Y)</td>
<td>0.402*</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* : significant at the 0.05 level  
n.s. : not significant at the 0.05 level

f.m : fully mediation  
p.m : partially mediation  
n.m : no mediation
E. Coefficient direct effect Analysis

Direct effect is the magnitude of the influence between variables directly (direct path). The greater the direct effect coefficient, the greater the influence between variables, and the smaller the direct effect coefficient (close to zero), the smaller the influence between these variables. In the direct effect column, there are 11 direct influence paths, 7 of which are significant and the remaining 4 paths are not significant. The four non-significant paths are the entrepreneurial leadership path to organizational performance, and the recruitment path to organizational performance.

F. Coefficient indirect effect Analysis

In the indirect effect analysis, apart from knowing the significance of the indirect effect or the effect of mediation, the nature of the mediation can also be known. Imam (2011) explains, detecting the nature of mediation can be seen from the mediation effect, if the direct effect of exogenous variables on endogenous variables is significant, and the indirect effect through intervening variables is also through a significant path, then it is said to be partially mediation. On the other hand, if the direct effect of the exogenous variable on the endogenous variable is not significant, while the indirect effect of the intervening variable is through a significant path, then it is said to be fully mediation or perfect mediation.

In the indirect effect column via Z, all variables, both entrepreneurial leadership, recruitment, and innovation, are significantly mediated by learning organizations, meaning that the higher the entrepreneurial leadership, the better the recruitment process, and the higher the innovation, the higher the learning organization. Organizational performance is also getting higher.

Although both are mediated by learning organizations, they differ in the nature of their mediation. Entrepreneurial leadership and recruitment are fully mediated by learning organizations. This shows that improving organizational performance cannot only rely on high entrepreneurial leadership and a good recruitment process, but also must pay attention to learning organizations so that organizational performance can increase. Because efforts to improve organizational performance without paying attention to learning organizations are in vain.

Different conditions occur in the innovation variable which is mediated partially (partially mediation) by the learning organization. This shows that improving organizational performance can actually only increase innovation, but if learning organizations are also considered, then organizational performance will increase even higher. Because innovation is able to have a direct impact on improving organizational performance, or indirectly through mediation of learning organizations.

G. Coefficient total effect Analysis

Analysis of the total effect (total effect) of each variable on organizational performance is the sum of its direct and indirect effects. The total effect value can be poured into Figure 4:
useful if there are two variables that have the same total effect. If there are two variables that have the same relative total effect, then the priority is the variable with a lower mean, because it is more important to improve it.

Ideally, to improve organizational performance in hotels, organizations can design improvement programs for all exogenous variables, both entrepreneurial leadership, recruitment, innovation, and learning organization. However, if the organization has limited resources, both manpower, budget, and limited time, it is necessary to make a priority scale in order to design a hotel performance improvement program.

The results of the comparative analysis of the mean and total effect variables conclude that in order to improve organizational performance at 4-star hotels in East Java, the priorities from the highest to the lowest are:

Sequence 1: Adding innovation programs
Sequence 2: Improving learning organization
Sequence 3: Strengthening entrepreneurial leadership
Sequence 4: Improving the recruitment process

The theoretical implication in this research is that entrepreneurial leadership has a positive and significant effect on organizational learning, consistent with Thornberry (2006), also supported by research by Sidqi et al. (2018) and also research by Nyukorong & Quisenberry (2016) which shows leadership behavior Strong entrepreneurship will have a positive and significant impact on learning organizations. Entrepreneurial leadership has no significant effect on organizational performance, in line with the opinion of Brigham & Houston (2004), and also in line with the research results of Zyl & Mathur-Helm (2007) that there is an effect of entrepreneurial leadership on business performance, although not large. However, the results of this study contradict those of Khan et al. (2020) and also Rahim et al. (2015) which states that entrepreneurial leadership has a significant effect on organizational performance. Recruitment has a positive and significant effect on the learning organization, a new empirical finding which states that recruitment has a positive and significant effect on the learning organization. Recruitment has a positive but not significant effect on organizational performance, contrary to the results of research by Ekwoaba et al. (2015) and Fathmath et al. (2020) which state that recruitment practices affect organizational performance. Innovation has a positive and significant effect on learning organizations, in line with the results of research by Dias & Escoval (2015); Gil et al. (2018); Syam et al. (2018) which states that there is a very strong relationship between organizational innovation and organizational learning. Innovation has a positive and significant effect on organizational performance, consistent with research by Karakaş et al. (2017) that innovation has a significant effect on hotel performance. Learning organization has a positive and significant effect on organizational performance, consistent with the research results of Sidqi et al. (2018) and Karim & Rahman (2018) which states that there is a positive influence between the practice of learning organizations and organizational performance.

V. CONCLUSION

Based on the research objectives, as well as the results of the research and discussion described in the previous chapter, it can be concluded as follows:
1) Entrepreneurial leadership has a positive and significant effects on organizational learning.
2) Entrepreneurial leadership has no significant effects on organizational performance.
3) Recruitment has a positive and significant effects on the learning organization.
4) Recruitment has no significant effects on organization performance.
5) Innovation has a positive and significant effects on the learning organization.
6) Innovation has a positive and significant effects on organizational performance.
7) Learning organization has a positive and significant effects on organization performance.

Based on the results of the study, the researchers gave some suggestions to the management of 4-star hotels in East Java in order to improve the performance of the hotel organization, according to the order of the variables with the highest priority to the lowest priority:
1. Adding innovation programs, especially innovation based on market changes, because the main purpose of innovation is so that hotels can adapt in the midst of rapid technological developments that make market behavior change drastically.
2. Building a learning organization, especially by designing learning programs that are carried out continuously (continuous learning), this is very important to improve the ability of employees. Programs
that hotel management can use as a forum to build a learning organizational culture such as programmed learning, job rotation, training and mentoring, business games, and job simulations.

3. Improving the recruitment process, especially in the recruitment process that is carried out better and transparently. Transparency can be more assured with the role of technology in it. Therefore, digital recruitment is now a 'new normal' recruitment system for company HRD.

4. Strengthen the entrepreneurial leadership style at the managerial level, especially in the aspects of being able to motivate, achievement oriented, and proactive.

5. The performance of hotel organizations can be formed mainly from the contribution of financial aspects and aspects of learning and growth. Learning and growth can be built with regularly scheduled employee training programs. Furthermore, the financial aspect can be saved by reducing the large physical assets that have hotels with high operating expenses.

Researchers also provide several suggestions for further research, namely:

1. Future researchers are expected to use this research model in a wider scope, namely all five-star hotels in East Java by adding the hotel location category variable (business location or tourist destination) as a dummy variable, so it is hoped that with a wider sample, the estimation of the research model becomes more precise and the generalizability of the research results will be more widespread. In addition, the inclusion of a dummy variable will provide benefits for further research, namely being able to find out differences in influence patterns based on the type of hotel location (business city or tourist city).

2. Further research also needs to take a wider sample of hotels, namely all five-star hotels (one-star to five-star) to test a more comprehensive model on the effect of entrepreneurial leadership, recruitment, and innovation on organizational learning, and organizational performance, by including variables star category as a dummy variable, so that apart from knowing the influence of entrepreneurial leadership, we can also find out how the patterns differ in each category of star hotels.

REFERENCES


The Effects of Entrepreneurial Leadership, Recruitment and Innovation on Learning Organization and Organizational Performance of Four Star Hotels in East Java

Mohammad Soleh, Ida Aju Brahma Sari, Ida Aju Brahma Ratih


The Effects of Entrepreneurial Leadership, Recruitment and Innovation on Learning Organization and Organizational Performance of Four Star Hotels in East Java

Mohammad Soleh, Ida Aju Brahmasesari, Ida Aju Brahma Ratih

Alfabeta. https://adoc.pub/sugiyono-metode-penelitian-pendidikan-pendekatan-kuantitatif/10565f6e6a5c6c7f09d0e376995d8f1672.html


