

CHAPTER I

INTRODUCTION

This chapter will be discussing about background on a topic based on theories and researchers that happen in a real life situation from time to time. Research questions will be useful to help the topic clearly can be understood. Research objective helps reader to easily understand about this research in a simple way. Problem Limitation is useful to arrow reader to be focus on the main research. In the last section, research outline clearly briefs the structure of the whole research.

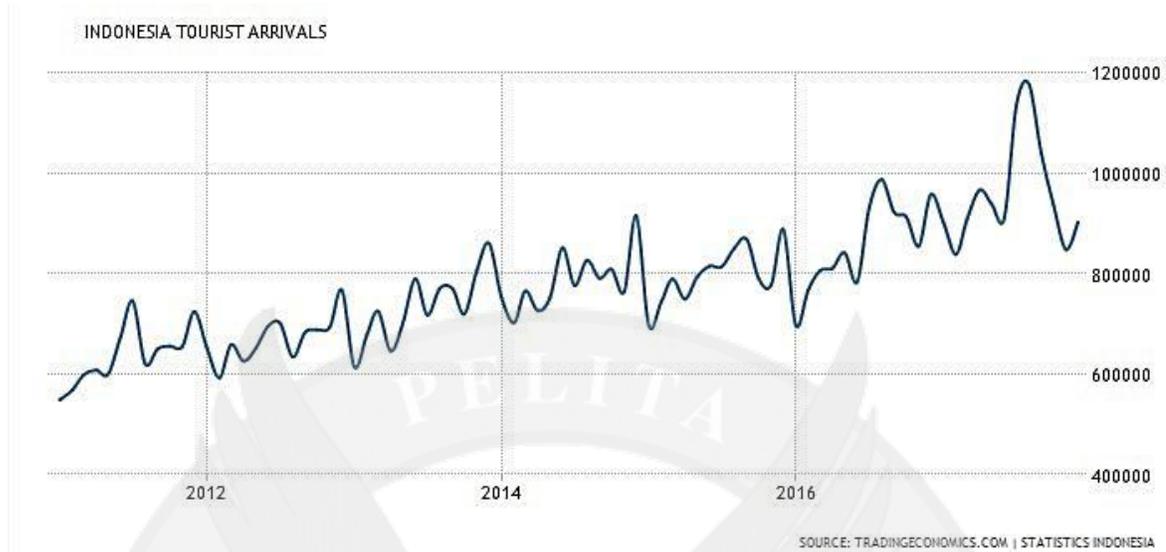
1.1 Background

According to Evans (2016) in Tekin (2017), service refers to a concept that is hard to define and classify. Service consists of commercial activities that provide benefits to others in a way that cannot be defined as a product (Vargo and Morgan, 2005 in Tekin, 2017). The fact that services make up the significant part of the main offering of the businesses in the tourism sector, increases the importance given to service quality (Tekin, 2017). Many authors identify personality as the most important factor in employee selection criteria for all positions that involve provision of services (Kuşlivan and Eren, 2011 in Tekin, 2017) also the people who are not service oriented are rude, unkind, disrespectful and socially unsuccessful. Kuşlivan and Eren (2011) in Tekin (2017) argued that service orientation is a result of a combination of genetic personality traits and learning experience. People working in hotel businesses were found to be characteristically prone to offer services (Başoda, 2012 in Tekin, 2017). Tekin (2017) added that service quality and guest satisfaction in every hotel industry are primary factors in such strategic advantages as sustainable competitive superiority and

profitability. Service is, obviously, deeply dependent on its provider. Service orientation concept has a critical role to play in this effect therefore performance of the provider is one of the most important factors in perceived service quality.

Tourism industry contributes 30% of the world's total export in services and 45% in the developing countries. It also generates approximately 7% of total world employment (UNWTO , 2013 in Purwomarwanto and Ramachandran, 2015). Therefore, both developed and developing countries have integrated tourism into their long-term economic development planning. On the other hand, tourism is vulnerable to crisis events, such as outbreaks, political disturbance and also financial crisis. Tourism development is one of strategic economic support since it has significantly positive impact on GDP growth (Purwomarwanto & Ramachandran, 2015). Indonesia is one of the ten countries in ASEAN that have attracting market-generating visitors (World Tourism Organization, 2012 in Purwomarwanto and Ramachandran, 2015). Foreign exchange earnings gained from tourism in Indonesia reached USD 9.1 billion in December 2012, it is an increase of about 5.8% from 2011 (Bureau of Statistics Indonesia, 2013 in Purwomarwanto and Ramachandran, 2015). In 2017, tourists arrival increase by 12,16%; that is 11,47 million people that decrease slightly from 11,52 million in 2016. The government is setting goal in order to achieve 20 million tourists by 2019. Tourists coming to Indonesia have the highest of 1178407 in August of 2017 and the lowest of 538821 in January of 2011.

Figure 1.1 Indonesia Tourist Arrivals



Source: Trading Economics

According to Badan Pusat Statistik Indonesia, there was an increase of 190 establishments of star hotel or about 8.65 percent when it compared to those in 2015 and non-star hotels was recorded at 16,442 establishments with 294,169 rooms. BPS also recorded that the most of star hotels were 3-star hotel in 2016, that is 839 establishments (35.15%) with 72,951 rooms (31.31%), followed by 2-star hotel namely 528 establishments (22.12%), percent) with 34,596 rooms (14.85%). The third biggest ones was 4-star hotel as much as 453 hotels (18.98%) with 68,425 rooms (29.37%). For star hotels as a whole, the highest number of rooms was in DKI Jakarta that accounted for 39,806 rooms or 17.08% to the total rooms of star hotel, followed by Bali 33,599 rooms (14.42%) and Jawa Barat 29,053 rooms (12.47%). Data of the number of star hotels DKI Jakarta shown in the picture table below:

Figure 1.2 Accommodation Classifications, 2016 of DKI Jakarta

Table 15.1: Number of Establishments, Rooms, Beds, Average Workers per Establishment and per Room, and Average Guests per day of Accommodation Establishments by Accommodation Classification, 2016

Klasifikasi Akomodasi/ Accommodation Classification	Banyaknya/Number of			Rata-rata Pekerja per/ Average Worker per			Rata-rata Tamu per Hari/Average Guests per Day		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Usaha/ Establishment	Kamar/ Room	Kamar/ Room	Tempat Tidur/Bed	Usaha/ Establishment	Kamar/ Room	Indonesia	Asing/ Foreign	Jumlah/ Total
BERBINTANG / STAR									
Bintang 5 / 5 Star	232	39 806	55 293	161,4	0,9	29 116	7 755	36 871	
Bintang 4 / 4 Star	29	10 957	13 999	518,5	1,4	4 454	4 200	8 654	
Bintang 3 / 3 Star	41	10 749	15 451	232,2	0,9	6 903	1 955	8 858	
Bintang 2 / 2 Star	78	10 107	14 682	118,0	0,9	10 996	1 102	12 098	
Bintang 1 / 1 Star	54	5 159	7 156	46,4	0,5	4 343	252	4 595	
	30	2 834	4 005	39,1	0,4	2 420	246	2 666	
AKOMODASI LAINNYA / NON STAR									
Non bintang (Melati) / Non star	169	7 445	9 703	22,0	0,5	7 389	175	7 564	
Pondok wisata / Home stay	22	229	400	3,8	0,4	266	1	267	
Penginapan remaja / Youth hostel	6	219	273	42,8	1,2	112	-	112	
Villa	-	-	-	-	-	-	-	-	
Jasa akomodasi lainnya/ Other accommodation	8	405	615	24,3	0,5	199	5	204	
JUMLAH / TOTAL	437	48 104	66 284	95,4	0,9	37 082	7 936	45 018	

Source: 2016 Report of Badan Pusat Statistik Indonesia

Hotel XYZ is a brand for the property of *Santika Indonesia Hotels & Resorts two-star* or better known as the concept of budget and smart hotels. The hotel has many branches throughout Indonesia. The hotel is targeting 50 hotels to be operational until 2018. Hotel XYZ opened its first branch in Indonesia in September 2007. They decided to have 56-rooms in Panglima Polim, Jakarta and by now they have 21 hotel branches in Indonesia.

Hotel XYZ Mangga Besar Jakarta starts to operate in 25 February 2011 as the 14th branch of Hotel XYZ. With the total of 101 rooms, Hotel XYZ located in Jakarta's historic heart in West Jakarta with its timeless street of Jakarta. Hotel XYZ Mangga Besar is surrounded by historic places, museums and many other things that remind of the old Jakarta. Remembering that Jakarta is developing by rebuilding its streets and buildings, Kota is the place you will visit to see Jakarta contains Dutch-style structures mostly dated from 17th century. Museums you can find around Hotel XYZ are Fatahillah Museum, Wayang Museum, Fine Art and Ceramic Museum, Bank of Indonesia Museum, and Mandiri Bank Museum. Also Hotel XYZ is located 1-kilo from the largely Chinese downtown, shopping center, area of Glodok.

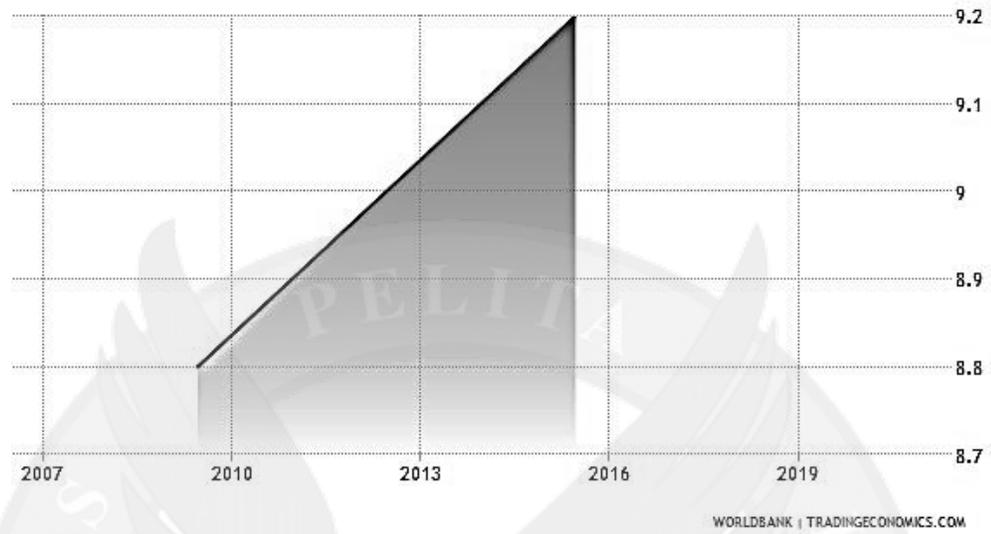
Business ethics refer as the commonly agreed upon principles, rules, behaviour and conduct that should be followed in the business environment; it is the moral code of conduct of the business, what is right or wrong, good or bad (Cant, Wiid, & Kallier, 2013). This moral code results from an individual's own moral standards (Shakeel, Khan, & Khan, 2011:59 in Cant, Wiid, & Kallier, 2013). Ethical leaders as being source of inspiration for subordinates influence followers' workplace behaviors (Walumbwa et al., 2011 in Zahra, Ahmad, & Waheed, 2017). According to Mayer et al. (2009), Walumbwa

et al. (2011), Avey et al. (2011), and Qi and MingXia (2014) in Zahra et al. (2017) ethical leadership effects numerous employee behaviors and attitudes including, psychological ownership, voice behavior, job satisfaction, organizational identification and organizational citizenship behavior. Employee perception of being in a social exchange relationship is enhanced by fair and balanced decisions of ethical leaders (Mayer et al. 2009; Brown & Trevino, 2006 in Zahra et al., 2017) to this will causing follower's reciprocation of this behavior in return (Avey et al., 2011 in Zahra et al., 2017) in the form of innovative work behavior.

Workplace deviance includes counterproductive work behavior, workplace incivility; researchers increasingly seek to determine what motivates deviant behavior in the workplace (Berry et al. 2007; Ferris et al. 2009 in Michel and Hargis, 2017). Injustice perceptions result in blame attributions and desires for revenge, and then followed by the aggression (Beugre' 2005; Jones 2009, 2010; Liu et al. 2010; Skarlicki et al. 2008 in Michel and Hargis, 2017). For example, Jones (2009) in Michel and Hargis (2017) investigate the mediating role of desires for revenge [e.g., "If I were mistreated by (my organization) it would feel good to get back in some way" p. 531], and found the relationship between perceived unfairness and organizational deviance.

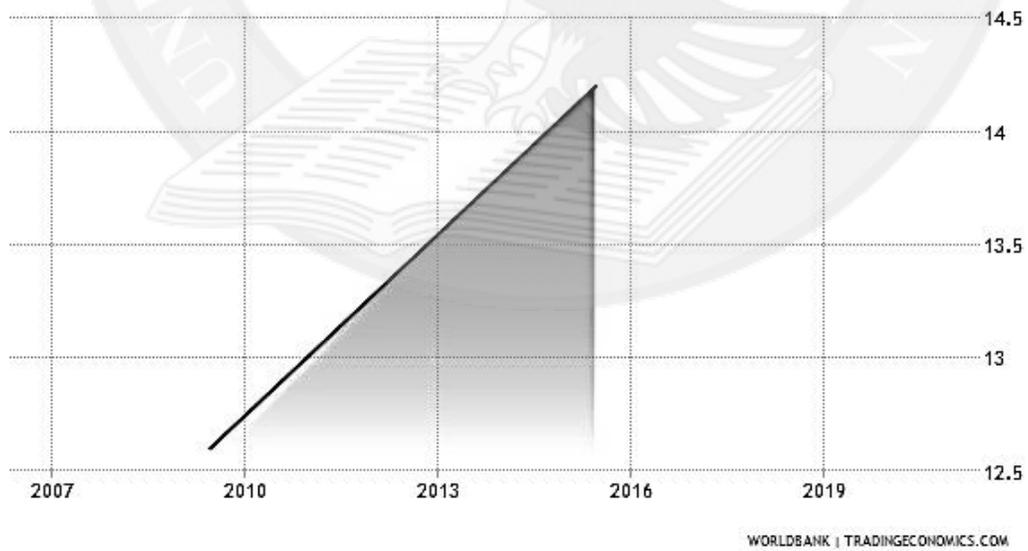
According to World Bank, Enterprise Surveys Project, the average losses due to theft and vandalism (% of annual sales) in Indonesia was reported at 9.2% in 2015 and 14.2% of firms identifying crime, theft and disorder as a major constraint in 2015.

Figure 1.3 Indonesia – Average losses due to theft and vandalism (% of annual sales)



Source: Trading Economics

Figure 1.4 Indonesia – Percent of firms identifying crime, theft and disorder as a major constraint



Source: Trading Economics

Employee theft is an example of unethical behavior by employees; this can result in the business losing large amounts of revenue (Hill, 2013 in Cant, Wiid, & Kallier 2013). Also Cant, Wiid, & Kallier (2013) argued that theft is the unofficial use or removal of something that does not belong to you and theft within a business can have devastating effects such as loss of revenue and bankruptcy. About 75 percent of employee theft is unnoticed by the business; this is often because the person who has the most opportunity to commit theft is the person who is also the most trusted. Individuals that have a grudge against the business, financial problems, and struggle with drugs and alcohol or gambling addictions are likely to steal from the business (Faulkner, 2007 in Cant, Wiid, & Kallier 2013).

1.2 Research Questions

Based on the background above, we are able to list some problem statement in this research are as follows:

1. Is there a positive relationship of need toward intention to steal?
2. Is there a positive relationship of opportunity toward intention to steal?
3. Is there a positive relationship of dishonest characteristics toward intention to steal?
4. Is there a positive relationship of unfair compensation toward intention to steal?
5. Is there a positive relationship of injustice toward intention to steal?
6. Is there a positive relationship of unethical work climate toward intention to steal?
7. Is there a positive relationship between laxity in punishment of co-worker theft toward intention to steal?

8. Is there a positive relationship between intention to steal and workplace theft behavior?
9. Will intention to steal mediate the individual factors to workplace theft behavior relationship?
10. Will intention to steal mediate the organizational factors to workplace theft behavior relationship?
11. Will internal control systems moderate the intention to steal to workplace theft behavior relationship?

1.3 Research Objectives

1. To know relationship between need and intention to steal
2. To know relationship between opportunity and intention to steal.
3. To know relationship between dishonest characteristics and intention to steal.
4. To know relationship between unfair compensation and intention to steal.
5. To know relationship between injustice and intention to steal.
6. To know relationship between unethical work climate and intention to steal.
7. To know relationship between laxity in punishment of co-worker theft and intention to steal.
8. To know relationship between intention to steal and workplace theft behavior.
9. To know relationship between intentions to steal mediate the individual factors towards workplace theft behavior relationship.
10. To know relationship between intentions to steal mediate the organizational factors towards workplace theft behavior relationship.

11. To know relationship between internal control systems moderates the intention to steal towards workplace theft behavior relationship.

1.4 Research Purposes

The purpose of this research study is emphasizing the theory of need, opportunity, personal characteristics, compensation, justice, ethical work climate and coworker theft and punishment that relates to the intention to steal that creates deviance behavior in workplace also by looking at the internal control system. This test will determine perception of hotel employees on the impact of the individual and organizational factors contributing to workplace theft behavior.

1.5 Research Limitation Problem

This research has its limitation which will be held in a two star hotel, the sample would be the hotel employees that are working at least 1 year. The employees that will be tested are only the staff, supervisor and the manager.

1.6 Systematic Framework

There are five chapters with sub-topics in each chapter to show a clear and systematic study.

CHAPTER I

INTRODUCTION

In this chapter, the research background, research questions, research objectives, and research purposes are explained.

CHAPTER II

LITERATURE REVIEW

The second chapter emphasizes the theories of the variables that used in this research study. It uses to solve some problems by explaining the relationship between independent variables and dependent variables.

CHAPTER III

RESEARCH METHODOLOGY

The third chapter discusses the research area, the object and subject of the research in the beginning. The conceptual and operational definition for each variable is stated. The research model, scale of measurement, the data collection method, questionnaire design technique with a vignette, and sampling design is also explained. It explains the data analysis, hypothesis testing and pre-test (Validity and Reliability) result in the end of the chapter.

CHAPTER IV

DATA ANALYSIS RESULTS AND DISCUSSION

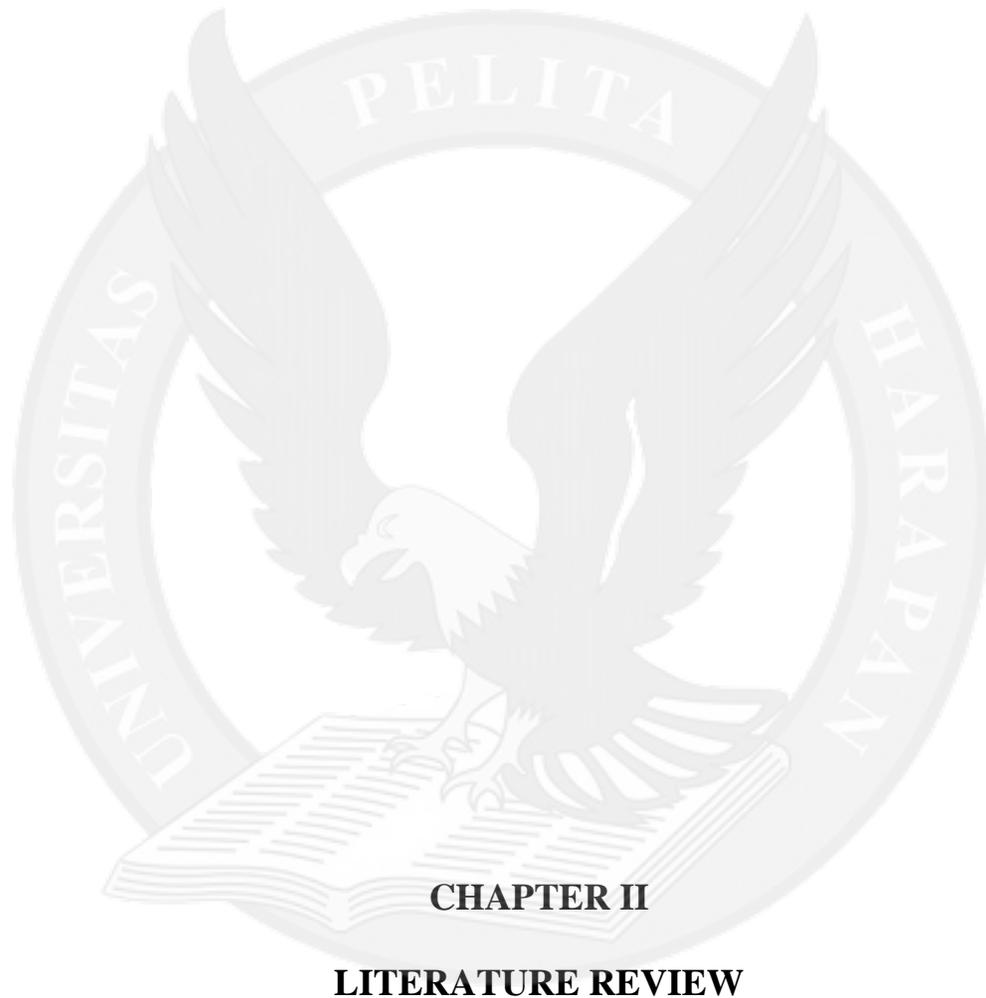
The fourth chapter showing the data analysis, the results from the research questions, the interpretation of data gathered and it shows the differences of results from the previous study.

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

The last chapter concludes all the problems into a solution, the result of the analysis and gives suggestions to the full-time life insurance agents in Indonesia. It also gives

recommendations for future researcher to develop the current research study and make a new research that relates to this topic.



Chapter two emphasizes the theoretical foundation of organizational behavior, human resource management, the role of attitude, sales compensation, salespeople incentives, information asymmetry and the management's sales orientation toward the behavioral intention of insurance agent in making inappropriate product recommendations which