

## LEADERSHIP AND EMPOWERMENT IN POST-COVID HOSPITALITY: BUILDING HUMAN POTENTIAL IN NORTH MACEDONIA

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### Abstract

The COVID-19 pandemic profoundly reshaped the global hospitality sector, redefining managerial priorities, workforce dynamics, and service delivery systems. In this context, leadership and employee empowerment have emerged as central mechanisms for rebuilding human potential and ensuring service quality in the post-pandemic era. This study explores how transformational leadership and empowerment influence motivation, organizational commitment, and service excellence among hospitality employees in North Macedonia. The research applies a mixed-method design combining quantitative survey data from 220 hotel employees with qualitative insights from 25 managerial interviews conducted between February and April 2025. Using multiple regression and correlation analyses, the study identifies leadership style ( $\beta = 0.39$ ,  $p < 0.001$ ), empowerment ( $\beta = 0.36$ ,  $p < 0.001$ ), and communication quality ( $\beta = 0.28$ ,  $p < 0.01$ ) as key predictors of human potential development and perceived service quality. The findings demonstrate that post-COVID hospitality success depends on leadership behaviors that encourage trust, autonomy, and continuous learning. Empowered employees report higher motivation ( $r = 0.71$ ) and job satisfaction ( $r = 0.69$ ), leading to greater guest satisfaction and organizational resilience. The study contributes to the growing body of literature linking human potential theory, empowerment, and transformational leadership with sustainable service performance. It provides practical guidelines for hotel managers and policymakers on strengthening human capital strategies in the recovery phase of tourism and hospitality.

**Keywords:** leadership, empowerment, human potential, hospitality, post-COVID, motivation, service quality, North Macedonia

### 1. INTRODUCTION

The hospitality industry is a labor-intensive and emotionally demanding sector, where human interactions largely determine service outcomes. The COVID-19 pandemic created an unprecedented crisis, disrupting employment, destabilizing workforces, and exposing limitations in traditional management models. Hotels in North Macedonia faced staff shortages, financial challenges, and evolving guest expectations regarding hygiene, safety, and personalization, highlighting the need to rethink human resource strategies with a focus on leadership and empowerment. Pre-pandemic research (Gigova, 2024) emphasized motivation, training, and organizational culture as key determinants of service quality. Post-COVID recovery revealed additional requirements: employees needed psychological safety, adaptive leadership, and participative decision-making to regain motivation and commitment, while managers had to adopt flexible, empathetic, and transformational leadership approaches. Transformational leadership—characterized by inspiration, intellectual stimulation, and individualized consideration—has proven critical for restoring trust and engagement. Similarly, empowerment practices granting autonomy, responsibility, and participative decision-making are essential for sustaining motivation and innovation. Human potential in hospitality encompasses knowledge, technical competence, emotional

intelligence, creativity, and adaptability, which are crucial for service quality and economic sustainability in North Macedonia's tourism sector.

This study explores post-pandemic dynamics in hotel management, addressing three key questions:

1. How do leadership and empowerment influence human potential and service quality?
2. What is the relationship between empowerment, motivation, and organizational commitment?
3. How can transformational leadership strengthen resilience and innovation among employees?

Using a mixed-methods approach, this research provides an updated framework for managing human potential in post-COVID hospitality, offering both theoretical insights and practical guidance for industry stakeholders.

## 2. THEORETICAL FRAMEWORK AND LITERATURE REVIEW

Human potential in hospitality refers to employees' capacity to deliver superior service through knowledge, emotional intelligence, motivation, and adaptability. Post-pandemic management theory positions human potential as a dynamic construct that can be expanded through leadership and empowerment (Mitreva & Kičara, 2024). Pre-COVID research in North Macedonia (Gigova, 2024) identified motivation, training, and organizational culture as significant drivers of service quality, but recent crises highlight the importance of resilience, psychological safety, and participative leadership (Ariza-Montes et al., 2021). Theoretically, human potential aligns with Maslow's hierarchy of needs, Herzberg's motivation-hygiene theory, and Bandura's social cognitive theory, where empowerment and transformational leadership satisfy higher-order psychological needs, fostering autonomy and self-actualization.

Transformational leadership, encompassing idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass & Avolio, 1994), enhances engagement, creativity, and commitment, particularly during post-crisis recovery (Gui, Zhao & Li, 2021). In North Macedonia, managerial gaps exist due to limited HR training, making effective delegation, trust-building, and empowerment critical. Transformational leaders foster empowerment by encouraging initiative, reinforcing confidence, and enabling participative decision-making, creating a reciprocal effect: empowered employees reinforce leadership credibility (Carlson, Rahman & Taylor, 2019).

Empowerment involves granting authority, resources, and confidence to influence service outcomes (Conger & Kanungo, 1988). Its structural (formal authority) and psychological (perceived autonomy) dimensions are essential for activating human potential. The COVID-19 pandemic demonstrated that frontline autonomy was crucial for operational continuity, transforming empowerment from a managerial preference into a strategic necessity (Kuslivan et al., 2010). Empowered employees show higher motivation, lower turnover, and stronger resilience, although its effectiveness relies on consistent managerial support and organizational culture.

Post-pandemic hospitality faces challenges such as workforce instability, psychological fatigue, and fluctuating operational conditions (UNWTO, 2023). Adaptive capacity—learning and innovating under disruption—is vital (Boin et al., 2020). Human potential development depends on leadership orientation (vision, empathy, coaching),

empowerment systems (autonomy, participation, recognition), and a learning culture (training, feedback, digital skills), which together form the Post-COVID Human Potential Development (PCHPD) framework. This model explains how leadership and empowerment influence service quality through motivation, job satisfaction, and commitment.

Empirical evidence confirms the interdependence of leadership, empowerment, and human potential. Transformational and servant leadership increase customer satisfaction through employee engagement (Gui et al., 2021; Ariza-Montes et al., 2018), while empowerment reduces job stress and enhances adaptability (Zhang & Chan, 2023; Khalid & Rahman, 2024). Empowerment functions as a mediating mechanism linking leadership behaviors to employee performance, providing a robust theoretical and empirical foundation for the present study.

### 3. RESEARCH METHODOLOGY

#### 3.1 Research Design

The present study adopts a quantitative-dominant mixed-method approach to examine the relationships between leadership, empowerment, and human potential in the post-COVID hospitality sector of North Macedonia. The quantitative component employs a structured survey distributed to hotel employees, while the qualitative component includes semi-structured interviews with hotel managers to gain deeper insights into leadership practices and empowerment strategies.

The choice of a mixed-method design aligns with the recommendations of Creswell (2018), who emphasized that combining quantitative precision with qualitative depth enhances the validity and interpretability of organizational studies. The research design follows an explanatory sequential model, where quantitative findings form the foundation, and qualitative insights provide context and interpretation.

The study's primary aim is to explore how leadership and empowerment affect the revitalization of human potential in hospitality organizations during the post-pandemic recovery period. The specific objectives are:

1. To identify the dominant leadership styles adopted by hotel managers after the COVID-19 pandemic.
2. To assess the impact of empowerment on employee motivation, satisfaction, and service quality.
3. To determine whether empowerment mediates the relationship between leadership and human potential.
4. To formulate strategic recommendations for developing leadership and empowerment models in North Macedonian hospitality institutions.

#### 3.2 Research Hypotheses

Based on the literature review and theoretical framework, the following hypotheses were formulated:

- H1: Transformational leadership has a positive and significant impact on human potential development in the hospitality industry.
- H2: Employee empowerment positively influences motivation and organizational commitment.
- H3: Empowerment mediates the relationship between transformational leadership and human potential.

- H4: Communication quality moderates the relationship between leadership and empowerment.

### 3.3 Population and Sampling

The study population consisted of employees working in three-star, four-star, and five-star hotels located in major tourist and business centers in North Macedonia — Skopje, Ohrid, Struga, Bitola, and Mavrovo.

A stratified random sampling method was employed to ensure representation across hotel categories and geographic regions. The final sample included 220 employees and 25 managers, representing a broad cross-section of departments (front office, housekeeping, food & beverage, and administration).

Table 3. Regional distribution of the sample.

Region	Number of Hotels Surveyed	Employees Surveyed	Managers Interviewed
Skopje	12	90	8
Ohrid	8	55	6
Struga	5	35	3
Bitola	4	25	4
Mavrovo	3	15	4
<b>Total</b>	<b>32</b>	<b>220</b>	<b>25</b>

The sample achieved a response rate of 88%, which is considered satisfactory for hospitality research. Demographically, 58% of respondents were female, and 42% male. The majority (47%) were between 26–35 years old, followed by 33% between 36–45 years, 15% under 25 years, and 5% over 46 years. Average tenure in the hospitality industry was 6.8 years.

### 3.4 Data Collection Instruments

#### 3.4.1 Quantitative Instrument

The quantitative data were collected using a self-administered questionnaire divided into four sections:

1. Leadership Scale — 12 items adapted from Bass and Avolio's (1994) *Multifactor Leadership Questionnaire (MLQ)*, measuring transformational and transactional leadership behaviors.
2. Empowerment Scale — 10 items based on Spreitzer's (1995) *Psychological Empowerment Instrument*, covering meaning, competence, autonomy, and impact.
3. Human Potential and Motivation Scale — 12 items developed from Gigova's (2024) doctoral framework on motivation, commitment, and service orientation.
4. Communication and Organizational Climate Scale — 8 items adapted from Denison's (1990) organizational culture dimensions.

Responses were measured using a five-point Likert scale ranging from 1 = *strongly disagree* to 5 = *strongly agree*.

#### 3.4.2 Qualitative Instrument

The qualitative phase consisted of semi-structured interviews with 25 hotel managers. Each interview lasted approximately 45 minutes and explored leadership philosophy,

empowerment practices, and post-pandemic management adaptations. Thematic coding was performed using NVivo 14 to identify recurring concepts.

### 3.5 Data Analysis Techniques

Quantitative data were processed using SPSS v27 and AMOS 25 for statistical analysis. The following procedures were employed:

- Descriptive Statistics (mean, standard deviation, variance)
- Reliability Analysis (Cronbach's  $\alpha$ )
- Correlation Analysis (Pearson's  $r$ )
- Multiple Regression to test hypotheses H1–H4
- Mediation and Moderation Analysis following Baron and Kenny's (1986) method
- Confirmatory Factor Analysis (CFA) to validate construct reliability and discriminant validity

Qualitative data were analyzed using thematic analysis, triangulated with quantitative findings to enhance interpretive validity.

### 3.6 Reliability and Validity

Table 4 presents the Cronbach's alpha values for each construct, confirming high internal consistency ( $\alpha > 0.70$  threshold).

Table 4. Reliability statistics (Cronbach's  $\alpha$ ).

Construct	Number of Items	Cronbach's $\alpha$	Interpretation
Leadership Style	12	0.91	Excellent
Empowerment	10	0.88	Very Good
Human Potential	12	0.89	Very Good
Communication Climate	8	0.86	Very Good
<b>Overall Reliability</b>	—	<b>0.89</b>	<b>Very Good</b>

Construct validity was tested using factor loadings; all items loaded above 0.60 on their respective constructs, satisfying Hair et al.'s (2019) threshold for convergent validity. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.89, and Bartlett's test of sphericity was significant ( $\chi^2 = 1854.23$ ,  $p < 0.001$ ), confirming data suitability for factor analysis.

### 3.7 Ethical Considerations

The research adhered to the ethical standards of the University "Goce Delčev" Ethics Committee. Participants were informed of the study's purpose, assured of confidentiality, and granted the right to withdraw at any stage. No personal identifiers were collected. Data were stored securely and used exclusively for academic analysis.

## 4. RESULTS

This section summarizes the key findings from the investigation of leadership, empowerment, and human potential in the post-COVID hospitality sector in North Macedonia.

### 4.1 Descriptive Statistics

Participants reported high levels across all variables (5-point Likert scale):

- Leadership Style:  $M = 4.08$

- Empowerment:  $M = 4.02$
- Human Potential:  $M = 4.14$
- Motivation:  $M = 4.11$
- Communication Climate:  $M = 3.98$

Data were normally distributed with no multicollinearity issues.

#### 4.2 Correlation Analysis

All variables were positively correlated ( $p < 0.01$ ).

- Strongest correlation: Empowerment  $\leftrightarrow$  Human Potential ( $r = 0.74$ )
- Leadership  $\leftrightarrow$  Empowerment ( $r = 0.71$ )

This suggests leadership and empowerment are strongly linked to human potential and motivation.

#### 4.3 Regression and Mediation/Moderation

- Leadership  $\rightarrow$  Human Potential:  $\beta = 0.39$ ,  $R^2 = 0.45$ ,  $p < 0.001 \rightarrow$  significant positive effect
- Empowerment  $\rightarrow$  Motivation:  $\beta = 0.36$ ,  $R^2 = 0.42$ ,  $p < 0.001 \rightarrow$  significant positive effect
- Mediation (Empowerment): partial mediation of leadership on human potential through empowerment
- Moderation (Communication Climate): interaction term significant ( $\beta = 0.18$ ,  $\Delta R^2 = 0.06$ ,  $p < 0.01$ ), indicating that supportive communication enhances the leadership–empowerment link

#### 4.4 Summary of Hypotheses

Hypothesis	Result
H1: Leadership $\rightarrow$ Human Potential	Supported
H2: Empowerment $\rightarrow$ Motivation	Supported
H3: Empowerment mediates Leadership $\rightarrow$ Human Potential	Supported (partial)
H4: Communication moderates Leadership $\rightarrow$ Empowerment	Supported

**Conclusion:** Leadership and empowerment positively influence human potential and motivation, with communication climate strengthening these relationships.

## 5. DISCUSSION

This study highlights the critical role of transformational leadership and empowerment in fostering human potential in post-COVID hospitality in North Macedonia. Leadership directly influenced human potential, explaining 45% of its variance, while empowerment accounted for 42% of motivation and partially mediated the leadership–human potential link ( $\beta$  reduced from 0.39 to 0.22). Communication climate further strengthened the leadership–empowerment relationship ( $\beta = 0.18$ ,  $p < 0.01$ ), emphasizing that open and transparent dialogue enhances trust and psychological safety.

These findings extend prior research (Gigova, 2024; Ariza-Montes et al., 2021; Gui et al., 2021) by demonstrating that behavioral factors such as autonomy, recognition, and participative decision-making are as important as structural HR practices in post-crisis recovery. Leadership in the post-pandemic context shifted from task-focused to empathy- and trust-centered approaches, with managers delegating authority and supporting well-being, fostering distributed leadership and psychological ownership. Empowerment emerged as a

key catalyst, enhancing motivation, engagement, innovation, and employee confidence, though its effectiveness depends on consistent managerial support.

The study introduces the Post-COVID Human Potential Development (PCHPD) Model, integrating leadership, empowerment, motivation, and communication into a cyclical framework in which leadership inspires, empowerment enables autonomy, motivation drives engagement, and communication sustains trust and feedback. Managerial implications include investing in leadership training, institutionalizing empowerment practices, enhancing communication, leveraging technology for employee autonomy, and prioritizing well-being.

Limitations include the cross-sectional design, potential self-report bias, and context specificity to North Macedonia. Future research could adopt longitudinal designs, incorporate guest satisfaction and objective performance indicators, and explore digital empowerment's role. Overall, post-COVID hospitality requires human-centered, empowerment-driven leadership to build resilient, motivated, and high-performing teams.

## 6. CONCLUSION AND RECOMMENDATIONS

This study examined the interrelationships among leadership, empowerment, and human potential in the post-COVID hospitality sector of North Macedonia. The findings confirm that transformational leadership and empowerment are critical drivers of employee motivation, engagement, and service quality. Leadership directly enhances human potential while empowerment serves as a partial mediator, amplifying the effects of leadership. Moreover, communication climate strengthens the leadership–empowerment link, highlighting the importance of transparent and supportive organizational cultures.

The research contributes to theory by integrating leadership, empowerment, and human potential into the Post-COVID Human Potential Development (PCHPD) Model. This framework emphasizes a cyclical process in which leadership inspires and guides, empowerment enables autonomy and participation, motivation drives engagement, and open communication sustains trust and feedback. The model underscores that human potential is dynamic, shaped by social, psychological, and organizational interactions rather than static employee attributes.

### Recommendations for Practice:

1. Develop Transformational Leadership Programs: Implement training focusing on empathy, coaching, and emotional intelligence to prepare managers for post-crisis challenges.
2. Institutionalize Empowerment: Codify empowerment in job roles, decision-making processes, and reward systems to ensure consistency and accountability.
3. Enhance Communication Climate: Maintain open and transparent communication channels to reinforce trust, collaboration, and employee engagement.
4. Leverage Technology: Utilize digital tools to support employee autonomy, real-time feedback, and task management.
5. Prioritize Employee Well-being: Offer emotional support, flexible scheduling, and recognition programs to sustain motivation and resilience.
6. Policy-Level Initiatives: Governments and industry associations should support leadership certification, human capital development, and cross-industry learning exchanges.

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