

CHAPTER I

INTRODUCTION

1.1. Background of the Study

Hospitality industry in this era is rapidly developing and many people interested in the hospitality industry concerning both in terms of producers and consumers, when in the past just a place to stay while traveling. Nowadays, hospitality industry is the industry where people are looking for additional purposes besides as a place to stay over or laying low for a night in tourism spots also functioning as a platform which provide other option such as a place to have a staycation; a place to hold a meeting for different parties; and various other events such as wedding reception, graduation ceremony, seminars, and, etc. The specific industry that is rapidly developing in the hospitality industry is the hotel industry which focuses more to provide good performances and services as well as facilities to each of its customers. Hotel plays an important role in developing a tourism business, and better hotel quality will attract more customers. According to J. Willard Marriott in Ojansivu's journal (2019), "Take good care of your employees, and they'll take good care of your customers, and the customers will come back." So, the employee performance depends on the management that they got.

Most of the time, lots of employee performance are related to the management style which performed by the upper management staffs in the company. Management is an important area in every part of their work.

Management style on employee performance is interesting to discuss, especially for people who want to contribute more in their working environment. The style of management plays an important role in enhancing the individual's own interest and commitment. To create a good job performance for them, there must be an interaction between the employee and the management style of their workplace. If the company is good at their management style, mostly their employee will create a good performance as well. According to Szczepańska's journal (2015), the way the company's managers handle and command their staff is largely dependent on the latter's behavior and leadership, and their sense of corporate identity and image which reflects in the company culture. In the same journal as above, there is also a statement acknowledged that the style of management defines the company's vision as an important step in image management. In addition, managers should work to build a positive reputation as a prerequisite for effective company growth, where workers are pleased and motivated to work.

Table 1.1 The Number of Summary Negative Guest Comment Report at Karibia Boutique Hotel Medan

Period of January 2020	Number of Complain
First week	7
Second week	17
Third week	23
Forth week	17

Source: Karibia Boutique Hotel Medan (2020)

Table 1.2 The Customer's Top Complaints at Karibia Boutique Hotel Medan

Customer's Top Complaints
1. Accommodated Room
2. Breakfast Variety
3. Guest Satisfaction

Source: Karibia Boutique Hotel Medan (2020)

From the table above about the negative guest comment period of January 2020, it can be seen that each week the negative comments have increased only that in the last week it has decreased but did not go down as low as in the first

week which is not a good sign. Based on the case above the writer thinks that the hotel needs to manage and regulate the performance of its employees by implementing the correct management style to improve the facilities, products, and services for the customers.

Management styles are the various ways in which the manager influences employees so that they are willing to fight to achieve their company goals. The term management style can be defined as a management method used by the manager in the company's management. It contains all techniques and methods used by managers to motivate subordinates to follow their instructions, in fact. The particular practice that the company uses to manage can be described. Managers also describe themselves as individuals who achieve objectives through others, supervise the activities of others and who are in charge of the achievement of objectives in that company.

Based on the result of the complaints throughout the first month operational in 2020 in Karibia Bouqitue Hotel, the writer concluded that the management style in Karibia Boutique Hotel is less effective since it can not reduce the complaints number at least back to the beginning number of complaints in their first week of operational. The management style needs to be effective and useful to the employee performance which can be influenced onto the result of the hospitality in the hotel itself, therefore it is important to understand the definition of the employee performance itself.

According to Iqbal, *et. al.* (2015), employee productivity involves performing established tasks, meeting deadlines, professionalism of workers,

efficiency and effectiveness in the performance of work. Different company require strong styles of management that improve employee performance. The challenges are faced by some companies such as: slow creativity, low productivity, inability to meet performance goals. This problem was expected as the problem at hand due to the lack of tactical initiatives in different management styles. This problem has continuously influenced the quality of employees. That's why study is investigating the best style of management that boosts employee performance. In order to improve employee performance, different companies require strong management styles. Many businesses are facing the challenges such as sluggish innovation, low productivity, and failure to meet performance goals.

Based on the explanation, the management on employee performance in Karibia Boutique Hotel Medan is decreasing since it can not reduce the complaints number at least back to the beginning number of complaints in their first week of operation. Hence, it will discuss about The Influence of Management Style on Employee Performance, where the research object is in Karibia Boutique Hotel Medan. The research will discuss about how the Company manages their employee at Karibia Boutique Hotel Medan thus title of the research is **“The Influence of Management Style on Employee Performance at Karibia Boutique Hotel Medan”**.

1.2. Problem Limitation

The writer determines this study limitation on management style in order to know about the employee performance in Karibia Boutique Hotel Medan that

located in Kompleks Centre Point Jalan Timor Blok J No.1-IV Medan by interviewing the human resources manager of the hotel.

In this research, the writer has two variables to be discussed which are management style as the independent variable with the indicator by Tang and Tang in Afsar, *et. al.* in International Journal of Contemporary Hospitality Management (2018) which indicators are empowerment, training, and reward.

While on the other hand employee performance as dependent variable with the indicator by Dzulkharnain (2018), with indicators which are quantity, quality, and the ability to cooperate.

1.3. Problem Formulation

Problem formulation is used so that the problem is more directed. This formulation aims to provide a clearer picture of the problem to be solved. The formulation of the problem is:

- a. How is the management style in Karibia Boutique Hotel Medan?
- b. How is the employee performance in Karibia Boutique Hotel Medan?
- c. Does management style have influence on employee performance at Karibia Boutique Hotel Medan?

1.4. Objective of the Research

The purpose of conducting this research is to know about the management and the employee performance, and also to identify whether there is an influence of management style on employee performance at Karibia Boutique Hotel Medan.

1.5. Benefit of the Research

1.5.1. Theoretical Benefit

This research gives benefits to improve and add the reader knowledge about the management style on employee performance.

1.5.2. Practical Benefit

Apart from theoretical benefits, there are also some practical advantages of this research:

- a. This research may provide recommendations to company in improving management style and employee performance.
- b. This research may be used as a guideline and source for further research that related to this topic.

