

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Nowadays, the hospitality industry is one of the promising career businesses engages in the services industry. With the business trends in this era, the hospitality itself has already been familiar by the society. Since the mid-century, the hospitality industry is one of the service sector businesses that overgrows and gains the attention of many economists (Siu, 2019). Ernst and Young's 2016 study (as cited in Siu, 2019) announced that hospitality is in a state of vibrant growth that encourages economic development and job creation in most regional markets.

Hospitality itself is about a relationship that is being made between guests and staff. Many business people use hospitality to conduct in their operations and earn revenue (American Hospitality Academy, n.d.). In the hospitality industry, there are four segments; they are food and beverages, travel and tourism, lodging, and recreation (Novak, 2017). Customer satisfaction is crucial in the hospitality industry, especially in a restaurant, which is part of the food and beverage sector industry. One of the restaurant purposes is to provide excellent services in order to satisfy customers. Every company has its standard operational procedures, and they apply it in their operations to ensure the performance meets the company's expectations.

Customer satisfaction is one of the goals that every company would like to achieve. Customer satisfaction needs requirements that need to be fulfilled, and it is relative because it is customers' preferences. In every restaurant, each aspect, especially employee performance, gives a different influence to their restaurants on customer satisfaction.

Employee performance depends on their skill and behavior. Managing people is not an easy task because every employee has different characteristics and performance. Employee performance affects customer satisfaction because employees are the ones who have direct contact with customers. When employees do not perform well, they are not attentive and lack the focus on the customers, or do not have the right attitude; it will give a bad image to the restaurant. The customers will get a bad impression and will not return to the restaurant; therefore, the restaurant will not have any profit.

However, when employees perform an excellent job by giving more initiative and attentiveness to customers, fulfilling customers' needs, and providing excellent services, customers will have a good impression and feel satisfied. By increasing customer satisfaction, the customer could recommend the restaurant to their relatives and friends, return to the restaurant, and become loyal guests. Customers could order more food and even make this restaurant become their first place to hang out. By accomplishing customer expectations, it will not only maintain a good image of the brand but also leads to creating a loyal customer (Wish Desk, 2018).

Aplus Cafe and Restaurant as the research object of this research is one of the first restaurants in Pematangsiantar, which is well-known for its quality and place to hang out, business meetings, celebrate birthdays and other social events. Aplus Cafe and Restaurant is a family business restaurant that is classified as casual dining restaurant, which offers urban food that combines local, Chinese, and Western cuisines. The restaurant has forty employees. Some students in Pematangsiantar University has already used this restaurant as their research object. Aplus Cafe and Restaurant is one of the food and beverage sectors that deal with the services towards customers. Customer satisfaction is one of their goals and expectations. However, they might need to face some challenges in employee performance.

Based on the writer's experience at Aplus Cafe and Restaurant as customers, the writer discovered that the food might be delicious and not too pricey. However, it seems that the employees lack of the performance skills, which are attentiveness and initiative toward customers, even though it is not in busy hour. This kind of performance will affect customer satisfaction, because when employees lack of focus and initiative, they could not either perform the job well or give excellent services to the customers. Then the customer could not feel satisfied because it is below their expectation. Therefore, the restaurant needs to improve their skills to perform better and work efficiently.

Thus, this aspect is the most crucial challenge in the restaurant. Therefore, the writer would like to do a research by choosing the topic based on the previous experience, “The Effect of Employee Performance towards Customer Satisfaction at Aplus Cafe and Restaurant Pematangsiantar.”

## **1.2 Problem Limitation**

Based on the identification of the topic, the research is to find out the effect between employee performance and customer satisfaction. The writer will conduct the six-month research in one of the food and beverage outlets in Pematangsiantar, which is Aplus Cafe and Restaurant at Jalan Kartini no. 29 E-F (Simpang Jl. Jawa). The subject of the research is customers of Aplus Cafe and Restaurant, which was conducted in the first week of April 2020.

## **1.3 Problem Formulation**

With the topic entitled “The Effect of Employee Performance towards Customer Satisfaction,” this research will discuss the problems of:

1. Does the employee performance affect customer satisfaction at Aplus Cafe and Restaurant in Pematangsiantar?
2. How significant the effect of employee performance on customer satisfaction at Aplus Cafe and Restaurant in Pematangsiantar?

#### **1.4 Objectives of the Research**

The objectives of this research are about:

1. To find out if the employee performance could affect customer satisfaction at Aplus Cafe and Restaurant in Pematangsiantar.
2. To analyze how significant the effect on employee performance towards customer satisfaction at Aplus Cafe and Restaurant in Pematangsiantar.

#### **1.5 Benefits of the Research**

The benefits of the research could be theoretical and practical benefits.

##### **1.5.1 Theoretical Benefits**

The writer hopes this research could give theoretical benefits to readers by:

1. Giving a better understanding and more insights about employee performance towards customer satisfaction.
2. Using this research as future references and supporting data for researchers with related topics.

##### **1.5.2 Practical Benefits**

By identifying this research, it will give practical benefits, those are:

1. To help the restaurant on how to improve and could solve the issue of employee performance.
2. To assist the restaurant in maintaining employee performance to meet customer satisfaction.

3. To give recommendations to the restaurant on how to improve the productivity and efficiency of the employees so that they will become more professional in order to maximize the profit.

