

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Background of the Study**

In this era, companies tend to face new innovation and trends. It will encourage companies to adapt and develop according to current era. Therefore, the competition among businesses are getting stiff, as well as for hospitality industry. Hospitality industry is one the largest industries in the world that deliver service to guest in order to achieve customer's experience and satisfaction. Customers rate a hospitality company by the services delivered by employees. Good quality of services will give good impression to customers, while bad quality of services will give bad impression to customers and affect the reputation of the company.

With the intense of competition condition, companies are required to optimize all the resources including human resources. Having a capable human resource are very important in order to manage everything organized. It is important to hire and recruit the right employees, but companies should not only focus on the procedure of requirement, but also focus on maintaining the quality of performance by employees for better productivity.

Employees are the company's greatest assets and very crucial to the overall success of the company. Employees are who work for a company day and night in order to achieve company's target. Cushway argues that performance is reviewing the task that have been done by employee based on the predetermined objectives and targets (as cited in Sarinah & Mardalena, 2017). Therefore, company should

concern the performance of employees and provide supporting facilities to improve it. Performance could be influenced by many factors, motivation and environment are including in the factors that influence the performance of employees (Nickols, 2019).

Zhang and Bartol state that motivation can enhance the desire and willingness to work better, which means employee's performance tends to be better when they are positively motivated and vice versa (as cited in Manik & Sidharta, 2017). It is very important for employee to have a motivation to do a job well. According to Shoobridge (2018), unmotivated employees couldn't give the best effort to perform their jobs, especially for industry that seek for customer satisfaction. It will certainly influence to the customer's impression.

While, workplace is the place for employees to work. A comfortable working environment will encourage the employees to work better. Inappropriate work environment can cause stress on employees and not enthusiasm for work. Thus, a company should provide comfortable and nice work environment.

Dumai City is located at Riau province, Indonesia. Dumai is well-known as industrial city instead of tourism city that is still widely visited by foreign and domestic investors. The transportation to access to Dumai City are still developing, there are newly renovated of Dumai Port, Pinang Kampai Dumai Airport, under-construction of railroad track for Dumai – Rantau Prapat, under- construction of Pekanbaru – Dumai Toll Road. It will be easier for investors to access to Dumai City and for sure it will influence the hospitality industry of Dumai City that are

still developing, it can be seen through the addition of several new hotels, cafe, restaurant and Mall.

Comforta Hotel Dumai is a three stars hotel in Dumai City, Riau. Comforta Hotel Dumai used to be Royal Hotel Dumai in 1996, Comfort Hotel Dumai in 2007, and Comforta Hotel Dumai in 2017. As a hotel that is located at industrial city, most of the Comforta Hotel Dumai's target market are businessman, but still there are guest with the purpose of leisure to stay at Comforta Hotel Dumai. In order to compete with other hotels in Dumai City, Comforta Hotel Dumai required to have a capable human resource, as there are some new hotels make the competition stiffer.

Comforta Hotel Dumai has lower occupancy for weekend, and it is one of the target of Comforta Hotel Dumai to achieve the occupancy of hotel during weekend better. It becomes one of the efforts for the employees of Comforta Hotel Dumai to make customers feel attractive and make Comforta Hotel Dumai as customer's choice to stay. With that, it seems that Comforta Hotel Dumai should improve the employee's performance to achieve the targets.

The changes of the hotel management are following by renovation of front area and some of the guest rooms, but not included the back area where employees working as stated by Human Resources Department of Comforta Hotel Dumai. Within 24 years old of building, there must be some things that have begun to decrease in quality. Even some of the guest put reviews for Comforta Hotel Dumai, guest can feel the vibes of the hotel is old and need to be improve for the cleanliness of rooms. It seems that the employees are still lack of the awareness regarding the cleanliness. By having a conversation with the human resources department, that is

also what employee's feel about the hotel is old enough. As a hospitality industry that would like to achieve customer satisfaction, a company should understand the employees well to make sure the employees put more effort in achieving the company's goals. Especially when there is full occupancy, employees must be suppressed, but if a company could give a well-motivated and comfortable work environment will trigger the employees to do the jobs well. It makes the writer interested in researching whether there is an influence of work motivation and environment on performance of employees who works in the building that has been built for a long time. Therefore, the writer decides to do a research with the title "The Influence of Work Motivation and Environment towards Employee's Performance at Comforta Hotel Dumai".

## **1.2 Problem Limitation**

Even though employee's performance could be influenced by many factors, but this research only focuses on the influence of work motivation and work environment toward the employee's performance. Motivation is the driving force for someone to take action and required to be fulfilled from the lowest needs until the highest needs, starting from physiological needs, safety needs, love and belonging, self-esteem, and self-actualization. Work environment is the place where employees do their jobs that should be balanced between physical and non-physical. Employee performance is the result of work that has been done by employee that could be assessed through quality, quantity, time and teamwork. The

scope area of this research is one of the hotels in Dumai City, which is Comforta Hotel Dumai and it will be referred only to the employees of Comforta Hotel Dumai.

### **1.3 Problem Formulation**

By analyzing how work motivation and environment influencing the performance of employees at Comforta Hotel Dumai, this research attempts to answer the following questions:

1. Does work motivation influence the employee's performance at Comforta Hotel Dumai?
2. Does work environment influence the employee's performance at Comforta Hotel Dumai?
3. Do work motivation and work environment have simultaneous influence towards employee's performance at Comforta Hotel Dumai?

### **1.4 Objective of the Research**

The objectives of this research are:

1. To identify the influence of work motivation on employee's performance at Comforta Hotel Dumai.
2. To analyze the influence of work environment on employee's performance at Comforta Hotel Dumai.
3. To know whether work motivation and work environment have simultaneous influence on employee's performance at Comforta Hotel Dumai.

## **1.5 Benefit of the Research**

This research aims to give benefits as follows:

### **1.5.1 Theoretical Benefit**

For theoretical benefit, this research aims to validate the result of previous research that is being done by the other researchers. Due to the changes of times, this research may bring out some new ideas and results from the previous research. This research hopes to provide information and give better understanding for readers about the influence of work motivation and work environment on employee's performance.

### **1.5.2 Practical Benefit**

The writer hopes the results of this research can give contribution to Comforta Hotel Dumai as well as the other small local chain hotels by providing solutions to improve employee's performance based on work motivation and work environment. This research hopes to give description and to be useful for the next researchers who are interested with the same topic or idea, such as the information, the process of research, and the method of research.