

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

The hospitality market is far larger than most other sectors. The bulk of company niches are made up of just a few firms. Almost every business focusing on customer loyalty is related to the hospitality industry. While this industry is very broad, it is important to understand some distinguishing aspects.

In different locations the hospitality industry provides outstanding customer service. There are several types of employment in hotels, restaurants, vacation destinations, and organizing services for events, among other employment. The hospitality industry can be the perfect one for those who want to work with our customers and appreciate the demand for travel, tourism and leisure. A broad variety of businesses, including restaurants, bars, resorts, casinos, cruise lines and subject parks, are involved in the hospitality business. The main aspect of all these businesses is that they all host people who come to eat, to drink, and to sleep and to be entertained. Nearly all businesses are labor intensive in the hospitality industry. While new technology and automation have changed many aspects of how facilities service and entertain customers, things still take a long time for the hospitality industry to operate properly.

Towards an establishment, human resources are absolutely valuable as they can bring advantages and disadvantages which affect the company's reputation. Customer satisfaction, the quality of delivered products and services to the

intensive workload are the responsibilities of an employee. Neither newly hired employee nor senior employee will be able to carry out their responsibilities to the fullest without proper training.

Employees who are qualified tend to stay longer than employees who don't. Training is an on-the-job requirement. Otherwise, workers have no firm understanding of their duties or obligations. Training of employees refers to initiatives that provide knowledge, new skills or opportunities for professional growth.

Companies are facing changes which brings out challenges because of the rapid technological development and globalization. As a solution for the company to be able to overcome the challenges, more advanced and effective training program are required. This is due to the technological enhancement which resulted in the requirement of capabilities and competencies to perform a particular tasks. Effective training programs help building a more conducive learning environment for the workforce and train them to cope with the future challenges effectively. (Elnaga & Imran, 2013).

Training is seen as a useful tool to deal with technological innovation, market competition and productivity change. Therefore, regardless of size and sector, all organisations, by various strategies like job training, aim to increase their employees' efficiency. In a organization to succeed in a changing and demanding environment, training is a very necessary way. Training is carried out as there are training measures, as shown by production reports, number of incidents, injuries, organizational growth, reversal of new technologies, turnover of staff, promotion and transfer. The need for training for employees is

exacerbated by the difference between the employee's actual performance and what the company needs. (Landa, 2018)

It is important to note that employees are the backbone of any company. Regardless the size of the organization, employees are the true factors behind the company's success or incompetence. A well-trained workforce is also important if the workplace is to have the best employees, who have been qualified and trained properly to perform their jobs correctly. The challenge here, though, is that the economy is highly competitive and businesses are forced to generate more than they have before. The managers are overwhelmed by all this demand and, in effect, they must force their workers into raising output and production levels. Nevertheless, it is important that workers are properly educated in order to have a productive workforce. In addition, companies are obliged to introduce up-to-date workplace awareness programs periodically in order to improve workplace efficiency. (Halawi & Haydar, 2018)

The business wants a good employee output because the success of an organization depends on the creativity, innovation and dedication of the employee. In order to stabilize our economy, good job performance and productivity growth are also important: better living standards, higher wages, increase in consumer goods, etc.

Training workers reflect the employer's deep commitment to employees and display the employer's respect for employees. There is a link between work training and overall job performance that defines an essential correlation with employee performance at the workplace which is the elements of the job training and time spent in training.

Most businesses invest in the creation of new skills, knowledge and attitudes, through the application of long term planning, to enable them to overcome the challenges they may face in the future, thereby enhancing their efficiency. (Elnaga & Imran, 2013)

Aryaduta Hotel Medan which is located on Jl. Kapten Maulana Lubis No.8, Petisah Tengah, Medan Petisah, Medan City -North Sumatera provides in its 195 guest rooms and suites that meet the needs of distinguished regional and foreign business and leisure travelers exceptional comfort. The hotel provides a panoramic view of a city influenced by Europe's architectural styles and an event facilities and a 35-meter courtyard pool.

Based on the observation by researcher as 6(six) month internship trainee and short unstructured interview with the HRD of Aryaduta Hotel Medan, there are still some issues with the employee performance, such as:

1. There are still employees who do not understand the procedures for handling hotel guests who give complaints, so usually the problem of hotel guest complaints is conveyed back to the supervisor. Some complaints received by the front office department was even pushed to accounting department. This causes the guest complaints to be longer in terms of the handling process.
2. There are still employees who do not fully understand guest complaints submitted by telephone. Usually they only apologize for the inconvenience that happened and no solution was given.
3. There are a few employees who still find difficulties in operating the new system implemented in the office. Some had to work extra hour to finish their

workload as the difficulties they were facing consumed a lot of their time in finishing certain obligation.

Therefore, researchers suspect that the training process given to Aryaduta Hotel Medan's employees is still not perfect, so that there are some problems that occur with employee performance.

In this study, the researcher wants to analyze the influence of training towards employee performance at Aryaduta Hotel Medan which is located on Jl. Kapten Maulana Lubis No.8, Petisah Tengah, Medan Petisah, Medan City -North Sumatera and write it in this thesis entitled "**The Influence of Training Towards Employee Performance at Aryaduta Hotel Medan**".

## **1.2 Problem Limitation**

In order for research to be more focused and easier in collecting and processing data, the scope of research is limited as follows. There are so many hotels in Medan. This study is only limited to five stars hotel, that is Aryaduta Hotel Medan which is located at Jl. Kapten Maulana Lubis No.8, Petisah Tengah, Medan Petisah, Medan City -North Sumatera. The indicators of training are based on Sudaryo, et al (2018), namely: instructor, participants, material, method, and purpose. The indicators of employee performance are based on Kotler & Keller (2014), namely: quality, need for supervision, cost - efficiency, discipline, and timeliness. The respondents used in this research are the employees of all genders, age groups, division, position and educational status who are working at Aryaduta Hotel Medan. The respondents do not include Cleaning Service Officers as Aryaduta Hotel Medan uses outsourcing for their cleaning service resources.

### 1.3 Problem Formulation

Based on the description on the background of the study above, the research questions in this study are as follow:

1. How is the training at Aryaduta Hotel Medan?
2. How is the employee performance at Aryaduta Hotel Medan?
3. Does training have influence towards employee performance at Aryaduta Hotel Medan?

### 1.4 Objective of the Research

The research objective are as follows:

1. To evaluate the training at Aryaduta Hotel Medan.
2. To evaluate the employee performance at Aryaduta Hotel Medan.
3. To discover whether training has influence towards employee performance at Aryaduta Hotel Medan.

### 1.5 Benefit of the Research

The benefit of the research can be seperated into two kinds of benefit, which are:

#### 1.5.1 Theoretical Benefit

Theoretically, the results of this study are expected to be useful to strengthen the theory in human resources, especially about the influence of training towards employee performance in a hotel.

### 1.5.2 Practical Benefit

The practical benefits expected from this research are as follow:

1. For the writer

This research can provide an overview and knowledge about management marketing, especially about the influence of training towards employee performance in a hotel.

2. For the company

This research is expected to be used as a suggestion to give more attention to the factors of training in order to increase the level of employee performance.

3. For the future researchers

The results of this research are expected to be used as a source of references for those who concern about conducting related research in the future.

