

CHAPTER I

INTRODUCTION

1.1 Background of Study

Hospitality management and tourism industry is a service-based industry that continues developing in the national or global scale. Due to the vast archipelago, wide varieties of panoramic landscape, ocean, historical remnants, interesting cultural diversities and ethnics, Indonesia has a huge potential to develop in hospitality industry and considered as one of the blooming country with great attractions and experiences in the tourism & hospitality industry.

Based on an article written by Guild in 2018 discussing Indonesia's Booming Tourism Industry, Indonesia has received over 14 million overseas visitors in 2018, which compared with the previous year of 2017 has increased in quantity for more than two million overseas visitors. With a multipronged effort and a clear benchmark of the country's tourism and hospitality visions and targets, Indonesia's Ministry of Tourism has been marketing Indonesia more aggressively as a worldwide tourist destination and investment opportunity. Famously associated with their brain sticker tagline "Wonderful Indonesia", the ministry efforts translated well as now Indonesia is considered the fastest-growing tourism industry in Southeast Asia (TheJakartaPost, 2018).

Beside enhancing online promotional and marketing, this successful result of Indonesia's government was supported by their hospitality and tourism policies, infrastructure investment, accessibility improvement, enhance standard quality in health & hygiene (Indonesia Investments 2016). All of these efforts surely attract more foreign visitors and investors which would cause accommodations, tourism, and services based industry in Indonesia will increase in quantity significantly.

The characteristic of service-based industry, especially hospitality and tourism industry usually exhibit a very high dependence on human resources or workforces and require a higher quantity of employees compared to other

industry. A report published by Badan Pusat Statistik 2018 stated that the total employment contribution of hospitality and tourism industry was 8,095,891 jobs or 6,3% of total employment in Indonesia, it was increased 17,3% from 2017 with the number of 6,904,745 jobs.

While the demands and progress of hospitality industry improving, hospitality and tourism industry is well-known for its high turnover culture and low staff stability rates, especially in the front-line staff (Essay UK 2018). As the employee turnover is increasing, many companies suffer to maintain adequate staffing to support the operational standards in a tight labor market. The effects of high employment turn over may decrease the value of quality in products and services delivered. In a study by Siddiq & Acharya 2015 titled *A Study on Employee Turnover in the Hospitality Industry* stated that high employee turnover rates also significantly threat the organizations or company by increasing spending on recruiting and replacement process.

Another 2014 research by Seyitoglu & Yirik titled *Internship Satisfaction of Students of Hospitality and Impact of Internship on Professional Development and Industrial Perception* finds that as an effective alternative to the high employee turnover in this industry, internship students are strongly valued as a potential human resources that beneficial in hospitality and tourism industrial company.

Several levels of education such as high school, undergraduate or postgraduate, usually implemented internship program, especially hospitality and tourism educational related. However, not every education level could provide the required quality, attitude, and work ethic of a hospitality industry to meet the employee standard performances. Education level as university can be considered able to provide critical and reflective quality that required by the hotels to provide better services excellent quality during their internship periods (Dredge et all, 2014). Since the university's internship students proved to be more fitted to the requirement, the human resources department prefer to hire more university's intern student rather than senior high school trainees.

The company is also benefited by saving their revenue and paying less of expenses in salary & wages towards the trainees compared with the employees. On the other hand, internship program gives the students a platform to practice their theory in class and experiences a practical reality by obtaining information through real working situations about skills, knowledge, and interest in the industry. Trainees also gain additional perspective and understanding as base information to decide which industry should they join after their graduation. Therefore, for any university or educational industry that contains a hospitality and tourism major, Internship mostly included as a compulsory course (Wang, Chiang & Lee, 2014).

After the internship program passed, the students have gained knowledge about the hospitality and tourism industry that creates their own personal perspective and viewpoint towards the industry. This perspective could shape the way students decide their career. Result of the internship satisfaction could have a high connection and relationship with student's intention in pursuing a career in this specific industry. With the current high demand and potential to grow even higher in hospitality and tourism industry and to maintain sustainable employment, it is important to make sure the internship students graduates pursue their careers in this industry. As the management of hospitality students in Universitas Pelita Harapan that have finished their internship for 6 months, their experience through internship could shape students' interest and commitment in the hospitality and tourism industry as their next career path.

1.2 Problem Limitation

To define the scope discussion of this study and to prove clear boundaries of the issues, the researcher focused on the influence of internship experiences of Universitas Pelita Harapan students in Management of Hospitality major, intake 2015 in Medan, who have completed and experienced their 6 months internship program. The intake 2015 was chosen due to the timeline of this research (January 2019 – July 2019). The hospitality management students from intake 2016 have

not completed their internship, therefore they are not considered as applicable respondents for this research.

Since the respondents or research sample were represented by a single university and intake, the findings may not exactly be translated to another student from different universities nor intakes and advise needs to be exercised as a generalizing results of this research. Furthermore, this study will be limited to a student's career selection as the perspective result after the internship program and not about calculating further factors that influence the perspective and decision making.

1.3 Problem Formulation

According to Adam and Humphrey (2008) problem formulation can be defined as a process of conclusive and decisive the fundamental part of a problem of the variables and factors including the interrelationships between both. Based on the limitation above, the writers will conduct research on Universitas Pelita Harapan students in Management of hospitality major, intake 2015 in Medan with the aims to examine and investigate with formulation of problems guide this research study as follow:

1. Do students feel satisfied with their internship experience?
2. Does the internship program benefit student's knowledge, skills and perspective towards hospitality and tourism industry?
3. Do internship experiences build/increase their interest in the hospitality and tourism industry?
4. Does internship satisfaction influence the willingness to pursue a career in hospitality & tourism industry?
5. Which part of tourism and hospitality industry will the students choose after graduation?

1.4 Objective of the Research

Stated in the slide presentation by Jaikumar, M (2018), the definition of research objective is a concise, brief, clear and explanatory statement, which

accommodate guidance to explore the variables in a research. The main objective or purpose of this research is to investigate the influences of internship experiences towards student's willingness to pursue a career in tourism and hospitality industry as their major choices. This research study also aims:

- To determine the student's satisfaction with their internship experiences
- To discover the benefits of internship program towards student's skill, knowledge, and perspective of hospitality and tourism industry
- To identify if internship experiences build/increase their interests in the hospitality and tourism industry
- To identify if internship satisfactions influence the willingness to pursue a career in hospitality & tourism industry
- To identify if students will be interested to work in hospitality and tourism industry after they graduate.

1.5 Benefits of the Research

1.5.1 Theoretical Benefit

Based on the objectives of research, this research is expected to generate theoretical benefits as follow:

1. This research is expected to become a valid foundation and substructure of scientific knowledge for the author or another researcher in terms of internship influences on hospitality student's career choices.
2. This research is expected to be used as a theoretical review in further research or studies related to the internship, after internship experiences and hospitality student's career choices.
3. This research is expected to provide information and could be used as a reference for other researchers doing similar research related to hospitality internship, after internship experiences and student's career choices.

1.5.2 Practical Benefit

Based on the objectives of research, this research is expected to generate practical benefits as follows:

1. For the public, this research will increase the knowledge about internship impacts on hospitality student's career choices after their internship
2. For students, this research will give them deeper insight into the success of internship program and what they should expect before the internship
3. For universities and other's related educational industry, this research will provide the effectiveness of internship program, the level of student's interest in hospitality industry and whether the students feel the benefits of internship program
4. For hotels and other hospitality industry, this research will provide actual and valid scientific-based data on trainees' or internship students' experiences and perspectives towards hospitality and tourism industry.

1.6 System of Writing

To provide the overview of this research, the systems of writing for this research are as follows:

CHAPTER I: INTRODUCTION

The first chapter of this research provides elemental descriptions such as the background of the study, the limit of problem, problem formulation, the objective of the research, the benefit of research including the practical & theoretical benefit and system of writing. This chapter discusses further the context of the research study and a brief explanation about where this research is headed and aimed as the results.

CHAPTER II: LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

The second chapter discusses more about the theoretical background of the study including the definition of internship program and career choices, several different published studies related to internship experience and the impact of the career choices of students were also presented in this chapter, the hypothesis development with the Hypothesis null, research model constructed and framework of thinking.

CHAPTER III: RESEARCH METHODOLOGY

This third chapter elaborates more on the research design in this study and research instruments used to fulfill the objectives of the study, the research subject and object, population and sample, how the data is collected, the variable definitions and the process of the variable being measured including the steps to process the collected data from the internship's students, how the data is analyzed and the detailed explanation of the method to analyze and test data.

CHAPTER IV: DATA ANALYSIS AND DISCUSSION

Once the methodology of this research has been explained in chapter three, the next chapter, the fourth chapter presents the general discussion on the research object, the analysis of the data collected through the survey questionnaires and the scientific results of the data gathered through this research, the descriptive analysis including the demographics of respondents, the findings of internship experiences satisfaction and their willingness to pursue a career in hospitality and management industry. The data is presented in pie charts, graphs and tables using SPSS 25 program. This chapter also presents the result of data quality testing in the reliable, validity and normality test. Hypothesis testing using simple linear regression, T-test and coefficient correlation including coefficient determination was also explained in this chapter

CHAPTER V: CONCLUSION

This final chapter contains the conclusions of the whole research in a brief summary including the results of research, providing suggestions to related parties and additional limited issues for further research.