

CHAPTER 1

INTRODUCTION

1.1 Background of Study

In recent years, growth can be seen on food and beverage industry. The increasing number of new restaurants create competitive situation in the industry, so as in Medan. The increasing level of competition in the food and beverage industry leads to a consequence where companies need to take the competition seriously in order to survive or even be able to win the competition. One important aspect in winning the competition is human resources as human resources (HR) is one of the significant assets in organization that can drive other resources. In addition, the success of food and beverage industry also depends on service quality performed by the employees, beside the taste of the foods.

One indicator of a success or failure of human resource management is the level of satisfaction of the employees in their workplaces. Job satisfaction as a set of rules related to the pleasant and unpleasant feelings in dealing with their work. An employee who gains satisfaction in work will certainly have an influence against psychological maturity which in turn will arouse passion and enthusiasm resulting in achieving higher quality of work rather than the employee who is unsatisfied with his job.

Performance is the output produced by employees. Performance is the output performed or the working result in terms of quality and quantity accomplished by the employees in fulfilling their duties corresponding with the responsibility given. Performance is also a combination of capability, attempt, and chances that can be assessed from the employees working result. In addition, according to Hariandja (2002), performance is the work produced by employees or behavioral action that shows in corresponding with his role and position in the company.

Knowing the importance of employee's satisfaction especially in food and beverage industry, this research was conducted at Tea Garden Cafe and Restaurant Medan. Where based on survey that there is a decrease in employee performance which can be seen from the decreasing level of satisfaction from the

customers in terms of the services provided by employees. These could be caused by errors in serving and taking orders; increasing level of employee lateness in the workplace; and employee's innovations in the food sector and the food structure also decreased. These problems then will lead to the decreasing of the restaurant's revenue.

One of the things that is interesting to comprehend further that might cause the decrease in the performance of Tea Garden Cafe and Restaurant's employees is job satisfaction. Where based on preliminary research, job satisfaction may influence employee performance. Tea Garden Cafe and Restaurant Medan has been operating for almost ten years but the popularity is decreasing. From writer's experience, word of mouth and online reviews, the service performed by employees is also decreasing.

From interview with some of the employees, most employees at Tea Garden Cafe and Restaurant Medan complaint about dissatisfaction with what is received from the company such as low salaries, too long working hours, the difficulty to get off work, the high workload caused by the obscurity of tasks given by the restaurant manager to subordinates. In addition, dissatisfaction is also caused by the attitude and actions of restaurant managers who are too discriminatory in giving assignments and sanctions against violations of the rules. However, these discussions may be studied further in formal research.

Therefore, based on the information above, it is interesting to conduct a research titled "The Influence of Job Satisfaction on the Employee Performance at Tea Garden Cafe and Restaurant Medan".

1.2 Problem Limitation

Due to some limitation, this research will be limited to the discussion about the relation of job satisfaction towards the employee performance at Tea Garden Cafe and Restaurant Medan. This research is also limited based on researcher's knowledge and findings. It is also limited at Tea Garden Cafe and Restaurant Medan, having its address at Multatuli Blok AA No 1-5, Medan.

1.3 Problem Formulation

Based on the problems that have been described above, the problem formulation that will be discussed in this research is:

1. How does job satisfaction influence the employee performance at Tea Garden Cafe and Restaurant Medan?

1.4 Objective of the Research

Based on the problem formulation of this research, the objective of this research is to:

1. Analyze the influence of job satisfaction on the employee performance at Tea Garden Cafe and Restaurant Medan.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

The result of this research is expected to be used as a referral for similar studies in the future. It is especially targeted for research that concerns about the level of job satisfaction on the employee performance at a food and beverage organization.

1.5.2 Practical Benefit

The result of this research is expected to provide practical benefits for:

1. Other researchers

Help the research in the area of human resources to have an insight on how job satisfaction influences the employee performance. Hence, it will help researchers to concern more on employee's satisfaction when facing a real life situation.

2. Reader

Help to improve readers' knowledge about the importance of job satisfaction towards employee performance.

3. Company

Help to maintain the employee performance that can increase the future income.

1.6 System of Writing

The following is the systems of writing in this *skripsi*:

Chapter 1 INTRODUCTION

This chapter explains about the background of study, problem limitation, problem formulation, objective of the research, benefit of the research, and system of writing

Chapter 2 LITERATURE REVIEW and HYPOTHESIS DEVELOPMENT

This chapter elaborates more about the theoretical background, previous researach, hypothesis development, research model and framework of thinking.

Chapter 3 RESEARCH METHODOLOGY

This chapter explains about the research design, population and sample, the data collection method operational variable definition and variable measurement, together with the data anaylsis method.

Chapter 4 RESULTS OF RESEARCH AND DISCUSSION

This chapter will discuss more about the resesarch object, data analysis in terms of descriptive statistic, result of data quality testing and result of hypothesis testing. Furthermore, this chapter will also elaborate more discussions of the research result.

Chapter 5 CONCLUSIONS AND RECOMMENDATIONS

The last chapter consists of conclusion and the implication of the research. Moreover, this chapter also provides recommendations related to the research problems.