

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Hotel industry in tourism and hospitality is one of the most important industries. The development of the hotel business as one of the main facilitators for tourism and hospitality in its whole has been identified as a growth sector. No wonder some governments are giving hotel developers and owner's incentives to further strengthen the tourism sector of their country.

World market flow have increased real from agronomic to services market. All services business trying hard they to increase or enhance their service quality. It happened because to satisfy basic need and customer expectations. When a customer needs to be clearly identified and understood, it is more likely that the operator expects and will also be granted to the client. This delighted customer is, more the opportunity to stay back in the hotel.

The hospitality industry fight to develop itself and enhance customer experience. Front desk hotel is a front office operation energetic part. It because it embodies first impression customer. In this era competition, hotel used new practice to increasing their performance level and at the same time customer joy. Each customer treated with largest consideration make him or privilege sense he. Because existed a lot of competition in market every hotel distinguish itself by adopting innovative practices to help attract increasing customer.

Regards or rewards can play a major part in building and re-forming employee attitude including a perception of trust and fairness, either wisely or

Inadvertently. There is a significant relationship between the reward and the stakeholders' functions (in relation to the attraction of workers and the retention objectives) (regarding motivation).

From the results of observations and interviews with HRD at Favehotel Medan, it can be said that the employee performance at Favehotel Medan is currently still low. Some of the following shows the quality of employee performance which are still low. The employees there are lack of work discipline, such as the presence of employees who are not serving the customers during working hours. For example: chatting with coworkers, chatting on the telephone during working hours or just relaxing, also often the employees who appear to be present are not on time. Instead of this, there are also lack of initiative from employees, such as lack of employee initiative to complete tasks and responsibilities more quickly in each section, causing the delay in a given job, even the presence of employees who do not do anything if not told by the superiors. This result was not in accordance with the company's expectations and the company still finding to best solution to solve this problem.

On the other hand, the researcher did a quick interview with some random staff who worked at front office staff in Favehotel Medan about the working reward. The first staff stated that the salary at this hotel was quite small when compared to other similar hotels. However, this is understandable by him, because this hotel is only a type of 3 star hotel. In addition, the level of education and work experience are not the main requirements in order to be accepted as an employee at this hotel. This results in long-term work boredom and the work

Results of employees are not valued, so that employees receive almost no appreciation, apart from praise and thanks from their superiors. The second staff member revealed that she had worked for 5 years in this hotel. However, the salary increase is not that big, especially during the current Covid-19 pandemic. Even in the absence of a pandemic before, companies rarely reward employees who are diligent or outstanding. All employees are only required to do routine work that can result in long-term work boredom.

Based on observations and interviews with the HRD manager and several staffs at Favehotel Medan, it can be seen that there has been a decline in employee performance. This may be due to the lack of reward given by company to its employees, such as: bonus, birthday reward (money or off work), discipline fee reward, etc for those who excel with satisfactory work results.

In this study, the researcher wants to analyze the influence of rewards toward front office staff performance and write it in this research entitled **“The Influence of Rewards Toward Front Office Staff Performance in Favehotel Medan”**.

## **1.2 Problem Limitation**

To make research more focused and easy to collect and process data, the scope of research is necessary in this research as limitation. There are so many hotels in Medan. This study is only limited to a 3-star hotel, that is Favehotel Medan which is located on Jalan S. Parman No.313A, Medan City – North

Sumatera. The independent variable is reward and the dependent variable is staff performance.

### **1.3 Problem Formulation**

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

1. How is the reward level at Favehotel Medan?
2. How is front office staff performance level at Favehotel Medan?
3. Does reward have influence toward front office staff performance at Favehotel Medan?

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

The research objective are as follow:

1. To discover the reward for employee at Favehotel Medan.
2. To discover the front office staff performance at Favehotel Medan.
3. To discover whether reward have influence toward front office staff performance at Favehotel Medan.

### **1.5 Benefit of the Research**

#### **1.5.1 Theoretical Benefit**

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

### 1.5.2 Practical Benefit

The practical benefits expected from this research are as follows:

1. For the writer

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

2. For the company

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

3. For the future researchers

It is envisaged that the outcomes of this research will be utilized as a reference for the future research.

