

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Hospitality industry is one of the most important thing for a country, which we can say that, it has a big impact for a country that develop its tourism, because it is increasing and developing the economy of a country, it means, more develop the tourism in that country, more benefit they will get from the industry. According to UU No.10 tahun 2009, Hospitality is various kinds of tourist activities that are supported by any kind of facilities and services provided by human, entrepreneurs, government, and local government. In Indonesia, especially in Banda Aceh, hospitality industry is now growing significantly, evidenced by the number of hotels that have opened in Banda Aceh, not just hotel but also a restaurant, cafes, and many more tourism destinations that have been opened in Banda Aceh, in result, it will give so much impact and benefit to the economy of Banda Aceh city, such as income, popularities, opportunities.

The tourism industry in Indonesia is currently considered as an effective role in increasing foreign exchange, its developing the tourism needs in Indonesia, not only in Indonesia, but whole world, and because of that, it will have a great prospects life in the future. According to Kreg (2001) as cited in Munawarah (2020), the tourism sector is able to boost

the local economy, and tourism is also positioned as an important means in order to introduce the cultures and the natural beauty of the areas covered. According to Norval in Spillane (1987) as cited in Deddy (2016), a British economist explained that besides tourism benefit education and social culture, it also has more significance in terms of the economy. Many countries consider tourism as an invisible export of goods and services because it provides so much benefit to the country, such as income, fame, and opportunities, that will result in prosperous life in the future.

Tourism is a future economic investment that will automatically facilitate the circulation of goods and services at the tourism spot. Tourism industry in Indonesia grows as one of the most profitable industry today. Currently, Indonesia's tourism sector contributes to approximately 4% of the total economy. It has taken a grate rule economically, socially and politically.

There are so many reasons why people go to Aceh; there are many beautiful beaches, nature, various kinds of foods from all around Indonesia or maybe world including Acehnese traditional foods, and also to be exposed with the Acehnese culture. Culture is one factor that makes the place to be different from other places even in same country as Indonesia has many tribes and cultures depending on the regions.

Table 1.1 The Number of Domestic and International Tourists in Banda Aceh City

YEARS	DOMESTIC	INTERNATIONAL	TOTAL
2013	182.286	4.749	188.035
2014	789.431	48.298	837.729
2015	253.790	13.139	266.929
2016	268.532	18.577	25.524
2017	272.079	16.274	288.353

Source : Badan Pusat Statistik Kota Banda Aceh (2019)

According to table 1.1, there's an increases and decreases of tourists that come to Banda Aceh every year. The most significant is on 2014, in that year there was a very significant increase in tourism in Banda Aceh, although there was no significant increase in the following year. In result, it will stimulate a government of Banda Aceh to develop the tourism in Banda Aceh.

This research was conducted in one of the most popular and strategic hotel in Banda Aceh, which is Kyriad Muraya Hotel. The hotel itself is a 4 stars in Banda Aceh, it's located in the middle of the city. Even though its only 4 stars, it provides a lot of facilities to the customer and also for the employees. The visitors of the hotel not only come from the local people, but also the tourists that come to Banda Aceh for vacation or just business purposes only.

One of the most important part of Hospitality is HRD, because one of the job of HRD is hiring people that are able to give a good performance to the customer, they also control the compensation of the employee. As we know, HRD is related to resources. There are many types of resources, one of that is human resources. In the organization, human resources is one of the most important thing that has a big impact to

determine a company to going up or going down. Without a good human resources, the company will not established well (Veronika et al., 2017). Managing human resources is different with managing machine, because usually, human resources is called an employee, which is they need a retribution for their work/service, such as salaries, allowance, facilities and incentives. So, HRD should choose wisely people that want to work at the Hotel, better performance better reputation.

When we talk about HR, it's related to a Compensation. According to Gorda (2006) as cited in Munawarah (2020), Compensation means a retribution to the employee performance that are given by the entrepreneur such as money, goods, or comfort with the intention of maintaining employees loyal to the company. As the writer explained before, there are many types of salaries that can be given to the employee, such as, facilities, incentive and allowance, to make themselves (the employee) feel comfortable to work at the hotel or company. If the hotel equitable in term of compensation distribution, the employee will be more motivated because of the treatment that hotel give to them. In result, they will give a better performance that will give a positive impact to the hotel, one of that is a better reputation to the hotel which will lead to an increase in revenue at the hotel.

According to Mangkunegara (2000) as cited in Munawarah (2020), performance means quality and quantity of work results achieved by an employee while doing their job according to the responsibilities that are

given to them. According to Gorda (2006) as cited in Munawarah (2020), Performance can be a benchmark for the hotel to determine the comparison of the results of the task execution, responsibilities that the hotel give to the employee in a certain period. Performance is very crucial in the hotel or company, because it is individual. It determines the success of the hotel/company, which can give the hotel/company an advantages or disadvantages. Performance of each individual staff in the hotel related to how they communicate to their guest, how they treat the guest, how well their public speaking in front of the guest. If they can communicate and treat the guest well, it will result in guest satisfaction, which mean increase in hotel reputation, and will increase the revenue of the hotel. In conclusion, we can say that it is important for each staff to have a good communication (public speaking).

Communication skills becomes the most important thing in establishing a hotel/company because it's related to behavior of each individual employee in the company, in broad sense, communication is the ability to express something that leads to an action, which is owned by someone (Munawarah, 2020). Communication skill of each employee that work at Kyriad Muraya Hotel in Banda Aceh is quiet good, it can be seen, by how they communicate each other, how they convey the ideas, vision and mission of the organization to their superiors, co-workers, and how they interact with the customer. But, not all the employee can communicate well, especially to their customer, which can result in a bad

review to the hotel, just because the employee can't do their job properly in front of the customer, for example, the receptionist can't explain the hotel's room to the customer properly, they don't behave well in front of the customer, this will lead to bad review for the hotel itself, just because they can't serve well the customer. In conclusion, like the writer have explained before, communication skill is important.

One of the cities in Indonesia that is developing its tourism is Banda Aceh. As we know, Banda Aceh is a syariah city, it means people in Banda Aceh is very respectful to the muslim culture. There is one hotel in Banda Aceh that located in the center of the city, that is Kyriad Muraya Hotel. Kyriad Muraya Hotel is one of the most attractive 4 stars hotel that located in Jalan Teuku Moh. Daud Beureueh No.5, Laksana, Kec. Kuta Alam, Kota Banda Aceh, Aceh 24415. According to the interview that has been conducted by the writer, the writer found that, some employee are lack of spirit when doing their job, such as, lazy to do their responsibility that has been directed by the manager to the employee, but according to the reviews that writer have researched before, the writer found that Kyriad Muraya Hotel provide a great service to their guests, they get an excellent reviews from their guest, which means the performance of their staff there is excellent, but the writer wonder, whether the compensation and communication skill have a good influence towards their performance or not.

In conclusion, this research aims to analyze the **“Influence of Compensation and Communication Skill Towards Employee Performance in Kyriad Muraya Hotel in Banda Aceh”** by collecting the data through observation, interview and questionnaires .

1.2 Problem Limitation

In this research the writer only concentrate on doing research on how compensation and communication skills influence the employee performance in Kyriad Muraya Hotel in Banda Aceh. Due to the limited time and resources, writer only taking data based on online resources and only visit Kyriad Muraya Hotel in Banda Aceh. The period of the research starts from January 2021 until December 2021.

1.3 Problem Formulation

From the background of study description, the writer conduct research on compensation and communication skill towards employee performance. The writer determine the problem formulation of this research as follows :

1. Is there any influence beetwen compensation and employee performance in Kyriad Muraya Hotel in Banda Aceh ?
2. Is there any influence beetwen communication skill and employee performance in Kyriad Muraya Hotel in Banda Aceh ?
3. How important compensation and communication skill towards the employee performance in Kyriad Muraya Hotel in Banda Aceh ?

1.4 Objective of the Research

The research is conducted with the objective of finding out the answer of the problem formulation that have been described in the previous section as follows :

1. To find out is there any influence between compensation and employee performance in Kyriad Muraya Hotel in Banda Aceh.
2. To find out is there any influence between communication skill and employee performance in Kyriad Muraya Hotel in Banda Aceh.
3. To know how important compensation and communication skill towards the employee performance in Kyriad Muraya hotel in Banda Aceh.

1.5 Benefit of the Research

The benefit of this research according to the objective and problems found during the research can be seperated into two kinds of benefit, which are:

1.5.1 Theoretical Benefit

Hopefully this research can be useful for student and lecture that want to know the influence of compensation and communication skill towards the employee performance and how important compensation and communication skill towards the employee performance at Kyriad Muraya Hotel in Banda Aceh or topic that has a similarity to this topic.

1.5.2 Practical Benefit

a. Writer

Writer can really understand about how important salaries and communication skill while working in real-life toward the performance.

b. Company/Hotel

Writer hopes that, this research may develop the company more in the future, such as revenue, popularity and opportunities.

c. Other researchers

Writer hopes that, this research can be useful in the future as a references for the other researchers that are interested in doing the same study research.

