

# CHAPTER I

## INTRODUCTION

### 1.1. Background of the Study

With the COVID-19 pandemic, almost all business sectors have been disrupted both in terms of operations and income. The prolonged pandemic conditions have forced all business sectors to carry out various strategies in order to maintain their business to continue running their business. In addition to the pandemic, current business conditions are also hampered by social restrictions by the government and make some people choose not to do activities outside their homes due to the fast spread of the pandemic at this time.

To adjust to the prolonged pandemic conditions and declining consumer interest due to the pandemic, companies need to carry out various strategies ranging from changes in company efficiency through reducing the number of employees as well as implementing various marketing strategies such as price discounts or temporary closures. Adjustment of the company's operating hours is also carried out to make efficiency and the company able to survive in the current conditions. Along with the decline in business conditions in the company, the company reduced employees and limited operating hours in accordance with current government regulations.

With the reduction of employees, employee performance is also not optimal in its implementation when working. Performance because of work in carrying out assigned tasks. Performance is very important for every organization. Therefore, to

achieve strategic goals, it is necessary to have the ability to manage the performance of its employees appropriately. In such management, it must always be consistent with the needs of the organization, to realize long-term success. (Bukit et al, 2017)

To maintain employee performance to remain consistent, regular training is needed to be carried out for employees to be able to be consistent in maintaining their ability to work to remain within company standards. Training is likely to improve employees' job-related knowledge and abilities. In response to rapidly changing market demands and new technology, training is an important means of updating employees' mindsets and skills to address new work problems that entail more demanding task assignments. (Guan and Frenkel, 2018)

In addition, motivation is one of the factors that support the performance of employees. Motivation is an effort to give enthusiasm to employees in carrying out the work given. Providing motivation is done to trigger employees to be able to work better in accordance with the targets set by the company. According to Cook and Artino Jr (2016), motivation has been defined as the process whereby goal-directed activities are initiated and sustained. In expectancy-value theory, motivation is a function of the expectation of success and perceived value.

Medan International Convention Center is a company had owned of PTP. Nusantara IV (Limited) engaged in the plantation was built at year 2010 and managed by Kaharutama Group at year 2013. Medan International Convention Centre one of the finest Exhibition Hall in Medan, North Sumatera – Indonesia. Located in Business District with the 13.502m<sup>2</sup> area, near Kualanamu International Airport (KNIA) ±41KM (40 minutes to KNIA), just minutes from hotels, city's

entertainment, culinary and shopping mall. Visitors can enjoy the benefits of our remarkable facilities for the Meeting, Incentives, Convention, Exhibition and Wedding. Customers can choose many rooms as we have for, they needed. To enhance the service with our special touch of class, we also present the finest on-site catering from our chefs and our brilliant in-house kitchens. Behind our success are visionary and dynamic teams who is always ready to accommodate your business needs.

In terms of revenue performance from MICC has decreased due to the covid pandemic which has an impact on the company's revenue. The following is the company's revenue data from 2016-2020.

**Table 1.1**  
**Revenue Data of Medan International Convention Centre**  
**2016-2020**

<b>Year</b>	<b>Revenue Target</b>	<b>Revenue Value</b>	<b>Percentage %</b>
2016	7,000,000,000	6,597,250,000	94.25%
2017	7,000,000,000	6,597,055,000	94.24%
2018	7,000,000,000	6,195,750,000	88.51%
2019	7,000,000,000	6,155,060,000	87.93%
2020	7,000,000,000	3,295,200,000	47.07%

Source: Medan International Convention Centre, 2016-2020

Revenue from MICC in 2017-2019 had a fairly good performance even though it did not fully reach the expected target, but in 2020 due to the closure due to the covid 19 pandemic, there was a business closure from March to May, resulting in a large decline in income for the company. company. The impact of the pandemic has also made it difficult for companies to provide income that is in line with expectations.

Employee performance appraisal is currently carried out through evaluations from supervisors and managers on employee performance directly.

Through the leadership assessment, an evaluation of the work results of employees will be given in carrying out their duties and responsibilities.

To improve the company's performance again, of course, it is necessary to increase the performance of employees. In this case, it is important for the company to hold training for employees to be able to adapt to the conditions in the company currently. Training needs to be carried out to keep employees able to work in accordance with the efficiency conditions currently being carried out by the company. With training, employees will again be able to work with the best performance in carrying out their work. In the current training implementation at MICC, there are several training methods, namely:

**Table 1.2**  
**Employee Training Methods at MICC**

Training Type	Training Time	Held on
Service Excellence	Conducted as an initial part in teaching new employees to provide services to guests	Conducted for new employees 2 times a month
Hospitality	Provide teaching when working how to greet and answer questions properly and correctly	Implemented by employees and guided by senior employees when taught on the job
Leadership	Implemented for special employees who are appointed as leaders in carrying out leadership to other employees	Taught by special guidance institutions
On the job training	Implemented when employees carry out work and are taught by seniors in carrying out their duties, especially in the service section to guests	Taught by senior employees to deal with conditions that arise at work

Source: Medan International Convention Centre

This could be seen that MICC has applied a training system for the employees. Employees were undisciplined during the training time especially for the employees that have been working for some period, which could indirectly be a cause of customer dissatisfaction.

In addition, to regenerate employee morale because the company's business conditions are uncertain due to the pandemic, motivation is also needed to make employees enthusiastic about returning to work. The number of employees affected by the efficiency of the company due to the pandemic also causes the condition of employees to be unmotivated at work and this needs to be a concern from the company. Work motivation has not been seen from the complaints from consumers regarding the services provided by MICC in providing services. The following data from the company.

**Table 1.3**  
**Complaint Data of Medan International Convention Centre**  
**2016-2020**

Years	Number of Complaints	Reason of Complaint
2016	9	1. Employees are not polite when talking to customers 2. Employees are slow in serving food menus when the restaurant is busy 3. Employees are not active in offering menus and explaining promotional programs 4. Employees who respond slowly when needed by consumers 5. Error in delivery of food orders 6. The taste of the food does not match the customer taste
2017	8	
2018	8	
2019	6	
2020	5	

Source: Medan International Convention Centre, 2016-2020

From the complaints received by the MICC, there are still complaints received from poor service to consumers. This shows that the employee's work motivation has not been fully formed properly in providing services to consumers. Employees have not been motivated to avoid mistakes in carrying out their work.

In supporting employee motivation so far, MICC always organizes motivational seminars which are held every 3 months for employees. In addition, the management also always holds meals together and gathers with employees on certain big days such as Eid al-Fitr and other big days.

Based on this review, the writer decides to conduct research entitled “**The Effect of Training and Motivation Towards Employee Performance at Medan International Convention Center (MICC)**”

### **1.2. Problem Limitation**

The writer only focuses on the training and motivation and its effect towards employees' performance at Medan International Convention Center (MICC). The indicators of training are using the theory of Mangkunegara in Sudaryo et, al. (2018) which are instructor, participants, material, method, purpose, and target. For motivation will using indicator from Afandi (2016) which about remuneration, working conditions, work facilities, work performance, recognition from superiors and the work itself. Meanwhile for the indicators of work performance are using the theory of Mathis and Jackson in Sudaryo et, al (2018) namely work quality, work quantity, working time, and cooperation.

### **1.3. Problem Formulation**

To investigate the effect of training and motivation towards employees' performance at Medan International Convention Center (MICC). The following discussion will consist of matters that questions the correlated factor:

1. How is the training implemented at Medan International Convention Center (MICC)?
2. How is the employees' motivation at Medan International Convention Center (MICC)?



3. How is the employees' performance at Medan International Convention Center (MICC)?
4. Does the training and motivation have effect towards employees' performance at Medan International Convention Center (MICC)?

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

Based on the problem formulation which has been listed above, the writer could conclude that the research objective of this study is:

1. To evaluate the training at Medan International Convention Center (MICC).
2. To evaluate the motivation at Medan International Convention Center (MICC).
3. To determine the employees' performance at Medan International Convention Center (MICC).
4. To find out the effect of training and motivation towards employees' performance at Medan International Convention Center (MICC).

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

##### **1.5.1 Theoretical Benefit**

Theoretically, this research outcome is to enhance an understanding of training and motivation in the marketing industry, especially for the employees at Medan International Convention Center (MICC) by developing conceptual theories that is useful for the readers and any employees in conducting policies related to the training and motivation.

### **1.5.2. Practical Benefit**

On the other hand, the practical benefit result will help the employees at Medan International Convention Center (MICC) to assess and improve the skill in order to create an excellent performance towards customer so the number of customers will grow rapidly, to retain customer loyalty and also to leave good feedback on any websites.

