

CHAPTER I

INTRODUCTION

1.1. Background of the Study

In this modern era, the asset of a company does not simply refer to cash, properties, equipment, land or inventory owned by a company but also takes the form of human resources. A good and professional human resource is believed to be able to enhance the performance of a business. Human resource is known to play an important role in the success of nowadays business, especially in the hospitality industry.

The overall success of hospitality industry in achieving its strategic objectives is deemed to rely heavily on the performance level of its employees. As employees play a crucial role in a business, companies should have a deep understanding of how to improve their performance. According to Chowdhury (as cited in Busro, 2018, p.90), there are two ways in enhancing employee performance, which is by enhancing employee motivation and providing good training and development program.

Employee job motivation, as one of the ways in enhancing employee performance, is a form of positive encouragement which aims to encourage the human resources in a company. This kind of encouragement is expected to grow employees' enthusiasm in carrying out their work. Employee motivation is believed to closely related with the

work performance of employees as employees with strong motivation tend to have consistent work results. Therefore, employee motivation is assumed to have an effect on the success of a business.

Meanwhile, training is considered as an important process in which usually a supervisor or senior staff will help a new team-member to develop and enhance the skills required to perform their tasks professionally. Job training has been closely related to employee performance in a business. By conducting training, companies could have more skilled workers who are more capable in completing their tasks and generally require less supervision. Thus, training is considered as one of the effective ways to introduce employees with their work procedures and also to improve their capabilities and competencies in performing their tasks.

Every business sector has to care for their way in providing the best services for their customers, especially for the hospitality industry. As one of the most renowned restaurants in North Sumatra, 53 Steps Café has always offered incredible hospitality and service to their customers. The key to their consistency in providing such great services is because 53 Steps Café constantly provides daily training and gathering sessions for their employees. They are aware with the fact that well-trained workers frequently exercise better customer service, thereby lead to greater customer satisfaction. Aside from getting great customer satisfaction, training is also important as proper training will bring all employees to

have a similar level of knowledge and skills, thus increasing employee performance.

However, with the existing development program and attractive motivation (such as providing performance-related pay), numerous complaints have been left on Google Reviews (refer to Figure 1.1) regarding poor customer service issues. Several customers seem to be unhappy with the customer service offered by 53 Steps Café. Customer reviews presented on the following figure shows that the employees work quality does not reflect the behavior of well-trained employees given the adequate development program and work motivation already provided by 53 Steps Café.

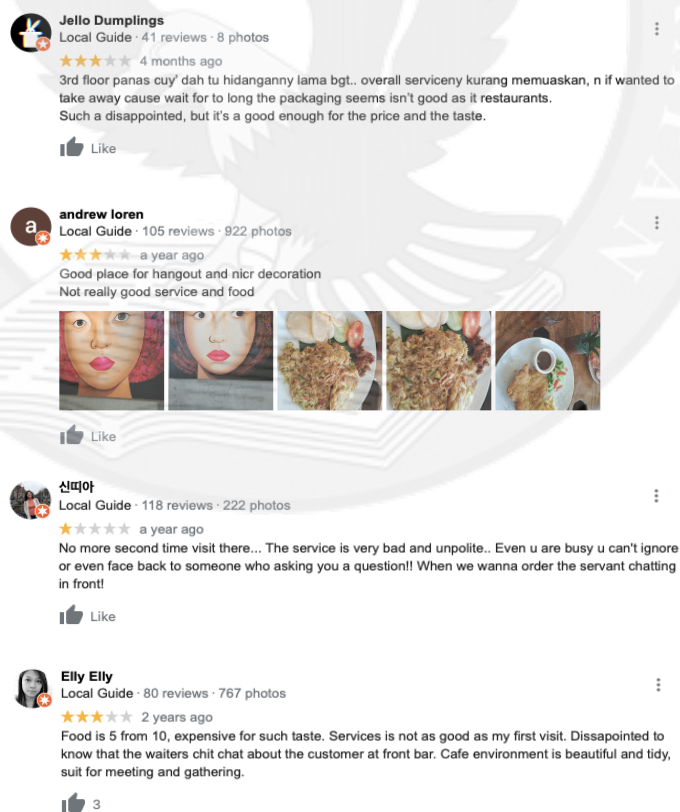


Figure 1.1 Customer Service Complaints on Google Reviews
Source: Google Reviews (2021)

Because work quality is one of the elements that determine employee performance, this issue certainly notify 53 Steps Café that there might be an unknown problem which cause the employee performance to decrease. Another critical component in employee performance tool is the level of employee attendance. Frequent absences at work would certainly cause companies to be shorthanded and lead to understaffing. Understaffing could negatively affect companies as it would lead to several problems, for example, poor customer service quality and reduce the productivity levels of employees as other workers have to cover the work of those who are absent. Routine absences would also cause companies to have higher labor costs as they often required to hire temporary workers to replace the absent employees. Employee attendance rate at 53 Steps Café has been gradually decreasing since 2016 until 2020. The poor attendance rate might cause the company to suffer from both financial and non-financial losses. The attendance data is presented below.

Table 1.1 Average Monthly Employee Attendance at 53 Steps Café

	2016	2017	2018	2019	2020
Jan	100%	88%	100%	83%	86%
Feb	86%	88%	97%	80%	80%
Mar	100%	88%	91%	83%	80%
Apr	91%	85%	91%	86%	80%
May	100%	88%	88%	77%	74%
Jun	83%	82%	85%	77%	77%
Jul	100%	91%	88%	89%	77%
Aug	100%	79%	91%	86%	74%
Sep	86%	100%	94%	83%	77%
Oct	91%	88%	79%	94%	86%
Nov	86%	88%	82%	91%	71%
Dec	86%	100%	79%	100%	74%
Average Attendance Rate	92%	89%	89%	86%	78%

Source: 53 Steps Café (2021)

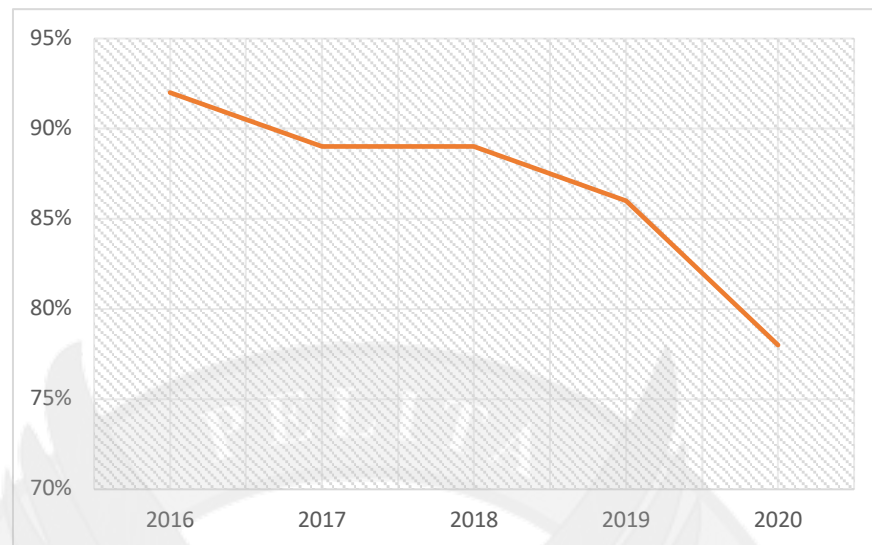


Figure 1.2 Employee Attendance at 53 Steps Café

Source: 53 Steps Café (2021)

Despite the company's training and job motivation initiatives, this issue has been circulating for several years. Every new employee hired to the company has gone through a new employee orientation and training program in which they are taught about the company culture, policies, and job-specific work procedures. As part of its job motivation programs, the company also gave numerous benefits to their employees, such as providing meals throughout their shift. Therefore, the management considers that the existing training and work motivation initiatives are ineffective in sustaining the performance of employees at 53 Steps Café.

The aforementioned issues have initiated 53 Steps Café to discover the relevancy of the existing training program and motivation system towards the employees' performance, as well as how training and motivation could influence employee performance. 53 Steps Café wishes to discover what are the underlying issues that cause the problems before

those problems begin to affect the business performance. Based on the above-mentioned problems, this research paper will take the title “**The Influence of Training and Job Motivation on The Performance of Employees At 53 Steps Café, Medan**”.

1.2. Problem Limitation

This research is only intended to observe and describe the influence of training and motivation toward employee performance at 53 Steps Café that is located at Jl. Petula No. 2 Medan, North Sumatra. This research is performed by employing two independent variables, namely training (X1) and motivation (X2), and one dependent variable, which is employee performance (Y).

Given the many factors that may affect each variable in this study, the writer limits the indicators of each variable. Training variable (X1) indicators are: instructors, participants, materials, objectives of training (Mangkunegara, 2017). Motivation variable (X2) indicators are: achievement, power, affiliation (Busro, 2018). Finally, employee performance variable (Y) indicators are: quality, quantity, time, and attendance (Sulistiyani & Rosidah, 2009, as cited in Sahir et al., 2020).

The population and sample of this study is only limited to the employees at 53 Steps Café where the data for this study is collected in the year 2021. Considering the limitations of this study, the results of this study may produce different results from the previous studies as well as

future studies, thus, the results of this study may not be applicable to other studies that are set in different circumstances from the current study.

1.3. Problem Formulation

Referring to the problems mentioned above, the following problems can be identified:

- a. Does training have partial influence on employee performance at 53 Steps Café, Medan?
- b. Does job motivation have partial influence on employee performance at 53 Steps Café, Medan?
- c. Is there any simultaneous influence of training and motivation on employee performance at 53 Steps Café, Medan?

1.4. Objectives of the Research

Based on the problems mentioned above, the objectives of this research are as follows:

- a. To determine whether training has partial influence on employee performance at 53 Steps Café Medan.
- b. To discover whether job motivation has partial influence on employee performance at 53 Steps Café Medan.
- c. To investigate whether training and motivation has simultaneous influence toward employee performance at 53 Steps Café Medan.

1.5. Benefit of the Research

This study is expected to be advantageous both theoretically and practically as elaborated below:

1.5.1. Theoretical Benefit

This study is expected to provide deeper insights on what effect that training and motivation might have on employee performance. In this study, the writer tries to investigate the influence between training, motivation, and employee performance in hospitality industry rather than industries that had been previously studied such as banking sector, social security agency, and hospitals. The area of research also differs as it is conducted in Medan city.

Apart from that, the sampling technique used in this research is also different from the prior research as this research adopts saturated sampling method because of the relatively small number of people in the population. This research is expected to contribute to the development of human resources in the hotel industry, the results of which will update existing knowledge because it provides a different sampling technique and population from previous studies.

1.5.2. Practical Benefit

The following are the practical benefits expected to be earned from this research:

a. For the Writer

The result of this study will enrich the writer's knowledge regarding the effect that training and motivation might have on employee performance. The result of this study is intended to provide deeper understanding about the effect of training and motivation in hospitality industry.

b. For 53 Steps Café

This study is expected to give a broader understanding for readers, especially 53 Steps Café, in regard to the influence of training and motivation towards the performance of their employees. With this research, the management will be able to review the current training programs and motivation given to the employees. Besides, the result of this research might aid 53 Steps Café to set the right strategy in decision-making process, specifically related to human resources. Also, management could consider using factors being studied in this research to increase the employees' existing performance.

c. For Future Researchers

For future researchers who are interested to study the similar object or subject of research, the result of this research can be used as a reference and comparison from previous research related to the title of this research.