

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Employees in an organization are the most important assets in achieving organizational goals, where employees who are able to produce good performance can contribute greatly in carrying out the activities of an organization. In enhancing the performance of employees, an organization must have a good a strategy and also create professional and good management. In order to achieve this goal, all available resources in the company must be involved. Human resources needed at this time are human resources who have good performance, potential and loyalty to the company, so that employees are able to describe the vision and mission that has been mutually agreed in order to achieve company goals (Daulay, et al, 2019)

Hotel Grand Angkasa was established in 1994 and changed its management and hotel name to Hotel Grand Mercure Medan Angkasa in 2015. This Hotel Grand Mercure Medan Angkasa is a 5-Star Business hotel. Based on the survey, it was obtained that there was a decrease in employee performance in the HRD division, marketing division, finance division and F&B division. This can be seen from the results of employee performance appraisals in these three divisions have decreased.

**Table 1. 1 Employee Performance Appraisal Data
Hotel Grand Mercure Medan Angkasa (2022)**

Grade	Term 1 (January-June)				Term 2 (July- December)			
	HR	Sales & Marketing	Finance	F&B	HR	Sales & Marketing	Finance	F&B
A (91-100)	1	5	3	2	0	2	1	1
B (76-90)	2	2	2	3	0	4	3	1
C (66-75)	2	4	4	2	2	3	2	3
D (51-65)	0	2	0	1	2	3	2	2
E (≤ 50)	0	0	0	1	1	1	1	2
Total	5	13	9	9	5	13	9	9

Sources: Prepared by the Writer (Hotel Grand Mercure Medan Angkasa, 2023)

Table 1.1 shows that the company is going performance assessment 2 times during 1 year. For the value of A means very good, the value of B means Good, the value of C means well enough, the value of D means less good, the value of E is less. The results of the performance assessment is still a lot of employees who obtain a value that is less good. **Criteria of the appraiser's performance with regard to technical knowledge of the work, work quality, speed in completing the work, ability to adjust self, teamwork, communication, work discipline, initiative, responsibility and timeliness.**

The work environment is everything that is around the workers/employees that can affect employee performance in carrying out work so that maximum work results will be obtained (Sari, et al, 2023). Performance is one of the most potential things that every worker must have to carry out every task and responsibility that are given by the company to the employees. With good performance, every worker can solve all company expenses effectively and efficiently, so the problems that occur in the company can be resolved properly. Performance of the employees or workers depends on the combination of efforts, ability and opportunity that is achieved by the employees. It means that

performance is the output of the employees that are working for a certain period of time and the emphasis is on the work done by the employee within a certain time period. For motivating employees, every company usually evaluates the performance of its employees.

Work Environment plays an important role towards the employees performance. Working environment is argued to impact immensely on employees performance either towards negative or the positive outcomes (Yuliantari and Prasasti, 2020). The work environment is a very important component in employees doing work activities, which greatly influence mental status, actions, abilities and employees performance (Rosminah, 2020).

Employee complaints on the work environment at the Grand Mercure Medan Angkasa Hotel is a non-physical environment that is not good as the relationship between colleagues is less harmonious due to unhealthy job competition that has an impact on low cooperation between colleagues and do not want to help each other. This problematic employee work environment triggers employees to resign from the company.

Table 1. 2 Resign Data at Hotel Grand Mercure Medan Angkasa (2022)

Month	Total
January	1
February	-
March	-
April	1
May	-
June	-
July	2
August	1
September	1
October	-
November	1
December	3

Sources: Prepared by the Writer (Hotel Grand Mercure Medan Angkasa, 2023)

Table 1.2 shows that employees feel that the work environment is less harmonious and enjoyable so they prefer to leave the company and look for better opportunities in other companies. In addition, the level of neatness in the finance and F&B division is not well maintained and the lack of work facilities that support employee performance. Motivation in work must be considered by the organization in order to know the motives and motivations desired by employees.

This is done with the aim that employees have a work spirit in achieving the organizational goals that have been planned, which in the end the organization has employees who have the ability, skills and abilities to work. Motivation is a force that encourages a person to take an action or not that essentially exists, internally and externally, positive or negative. Motivation is a desire within a person that causes that person to take an action for something in achieving a goal (Suparman, et al, 2023).

Motivation is a driving force that leads to goals and it rarely appears in vain. Every organization wants to achieve its goals. Employees must have a strong motivation to work. This is because with employees who are motivated, employees will be active in work so that employees can complete the work on time and ultimately the employees performance within the company can increase. (Riyadi, 2022).

The decrease in work motivation at Grand Mercure Medan Angkasa hotel is related to career development from the lack of promotion, the implementation of job training that is not in accordance with the employee's job description. This has an impact on employee performance decline. Motivation problems are also

related to compensation received by employees because since covid, employee salaries have not increased.

From the above explanation, the writer decides to conduct a research entitled **“The Influence of Work Environment and Motivation on Employee Performance at Hotel Grand Mercure Medan Angkasa”**.

1.2 Problem Limitation

Due to limitation of time and budget this research focused to Hotel Grand Mercure Medan Angkasa that Work Environment (X_1), Motivation (X_2) and Employee Performance (Y). In this study only examined the HR division, marketing division, Finance division and F&B division.

1.3 Problem Formulation

Based on the background of the study, the writer formulates several questions, follows:

1. Does Work Environment have partial influence on Employee Performance at Hotel Grand Mercure Medan Angkasa?
2. Does Motivation have partial influence on Employee Performance at Hotel Grand Mercure Medan Angkasa?
3. Do Work Environment and Motivation have influence on Employee Performance at Hotel Grand Mercure Medan Angkasa?

1.4 Objective of the Research

Based on the problem formulation the objectives of this research are:

1. To analyze whether Work Environment have partial influence on Employee Performance at Hotel Grand Mercure Medan Angkasa.
2. To analyze whether Motivation have partial influence on Employee Performance at Hotel Grand Mercure Medan Angkasa.
3. To investigate whether Work Environment and Motivation have influence on Employee Performance at Hotel Grand Mercure Medan Angkasa.

1.5 Benefit of the Research

The writer expects that this research can give benefits both theoretically and practically.

1.5.1 Theoretical Benefit

The research result can be used to expand, improve and develop the relevant theories especially in the Work Environment and Motivation and its influence towards Employee Performance.

1.5.2 Practical Benefit

The practical benefits on this research are:

1. For the writer

The writer as the researcher to get more experience in doing the research and as an addition to knowledge with regard to Work Environment, Motivation and Employee Performance.

2. For the Hotel Grand Mercure Medan Angkasa.

To provide useful suggestion for the company in increasing Employee Performance especially improving the Work Environment and Motivation.

3. For other researchers

To be an additional reference, reference material for further research and information to interested parties in assessing the problem the same in the future.