# CHAPTER I
# INTRODUCTION

## 1.1    Background of the Study

The hospitality sector is a growing sector in the world in recent years. Hospitality is a huge industry and the hospitality business can be divided into 4 categories, namely food and beverages, travel and tourism, lodging, and recreation. One of the fastest-growing is lodging. Lodging also called as accommodation, where this accommodation is usually used to rest for a certain period such as a night, a week, even up to a month. Accommodation in the hospitality industry, such as hotels, motels, resorts, villas, and other businesses that provide a place to stay overnight.

In the last few years, the hospitality sector in Indonesia has provided substantial income for the Indonesian economy. This is supported by the increasing number of hotels. The development of hotels is also supported by increasingly sophisticated technological developments. This can be seen from the number of new hotels that have emerged from hotels with stars to exploding budget hotels. And now days, we can easily find from many OTA (Online Travel Agent) and travel applications such as Traveloka. Hospitality is also the most complex business because the hotel business is not a business that only sells rooms or products such as food and beverages. However, the hotel business also sells services by serving

guests who are their customers or just asking for information about the products they sell.

According to Hermawan et al. (2018 : 5), hospitality is a complex knowledge and art in selling services, with services that are full of respect and full of humanity according to the needs of the human soul who wants to be respected and appreciated as a complete human being who has reason and mind.

The key in the hospitality business is to serve with wholeheartedly. With the services given to guests, these guests will feel like a real king, because the nature of humans is to want to be respected and served like kings and queens. With the satisfaction of the service that guests get, these guests are likely to love the products, become loyal customers, and even make these guests recommend the company products to their colleagues. To make guests of the hotel feel satisfied, the hotel must have a good service provides to guests. Good service will be obtained from the optimal performance of employees.

Because hotels require service from employees, for hotels employees in the company are one of the most important assets. Employees must have the potential to work and be able to increase company productivity. There are many things that can affect the performance of employees such as work motivation, compensation, the salary they receive, work schedules, work environment, and others. And the nature of employees who are affected by the work environment can be influenced from 2 aspects, namely from outside the hotel and inside the hotel. Outside the hotel as from the guests and from inside as around the place where they work.

The reason the writer chooses, employee performance as variable to be studied are because to make customers feel satisfied, companies must have workers with good performance and are responsible for their work.

Individual performance is the key to achieving productivity because performance is a result where people and other resources in the organization together bring the final result based on the level of quality and standards that have been set. The consequence is that organizations need human resources who have unique skills and abilities, which suit with the organization's vision and mission.

According to Dr. Meithiana (2017), employee performance differs from one employee to another. The factors that cause these differences are due to differences in physical conditions, abilities, motivations, and other individual factors. According to Dr. Hj. Sri Langgeng Ratnasari, et.al (2020) Employee performance can be influenced by many factors including job satisfaction, motivation, work environment, and organizational culture.

The definition of performance according to Campbell in Serdamayanti (2017), is something that people actually do and can observe. Which includes actions and behaviors that are relevant to organizational goals. According to Human Resource (HR) (2020), employee performance can be influenced by the work environment, facilities, and infrastructure, responsibilities and division of tasks, communication methods, leadership styles, career development, bonuses, and incentives.

Based on the theory of Serdamayanti (2017, p.11), the factors that affect employee performance, which is abbreviated as "ACHIEVE" performance:

1.  Ability (innate ability)

2.  Capacity (an ability that can be developed)

3.  Help (assistance for the realization of performance)

4.  Incentives (material and non-material incentives)

5.  Environment (employee work environment)

6.  Validity (guidelines/instructions, job descriptions)

7.  Evaluation (feedback on work results)

Of several things that can affect employee performance that has been mentioned by the writer. The writer decided to choose the environment as the independent variable, because a pleasant work environment may be a motivator for employees to produce peak performance and encourage the most productive employee performance. A bad work environment can reduce the health and work power of employees.

According to Foster, the factors that affect performance is the work environment. According to Molefe, by creating a good work environment, high performance will be obtained. In the context of this book, the work environment is manifested in terms of organizational climate. This means that organizational climate is an important factor in supporting the performance or performance of an organization because indirectly a conducive organizational climate will trigger

work passion, job satisfaction, and support efforts to improve employee performance (Dr. Meithiana Indrasari, S.T., 2017).

The writer's opinion which says that the comfort that employees have from the work environment will have an effect when working is supported by the grand theory. According to Dionisius Ady Danaswara (2018) with entitled "*PENGARUH LINGKUNGAN KERJA DAN KOMPENSASI TERHADAP KINERJA KARYAWAN*" Case for the cutting division production employee of PT. Eagle Glove Indonesia, Purwomartani, Sleman, Yogyakarta. The writer's concluded that, the work environment has a significant impact on employee performance. This can be seen from the writer's statement which states that the study shows the lowest score of work environment variables, namely the noise indicator. The production employees of PT Eagle Glove Indonesia's cutting division were disturbed by noises such as the sound of a generator set engine located not far from the cutting production room and the sound of passing or entering the company. The noisier the work environment for the production of the cutting section, the lower the employee's performance.

**Table 2.1 Number of Hotels, Rooms, and Beds Capacity**

| Rating | Hotel | Rooms | Beds |
|---|---|---|---|
| Non-Starred | 35 | 767 | 974 |
| 1 Star | 4 | 64 | 251 |
| 2 Stars | 5 | 162 | 562 |
| 3 Stars | 3 | 310 | 974 |
| Total | 47 | 1312 | 1867 |

**Source: BPS-Statistics of Pematangsiantar Municipality (Marlise Simamora, SE, 2020)**

**Table 2.2 List of Hotels**

| No | Name of Hotel | Stars | Established |
|----|---------------|-------|-------------|
| 1 | Siantar Hotel | 3 (three) | 1916 |
| 2 | Sapadia Hotel | 3 (three) | 2012 |
| 3 | Horison Hotel | 3 (three) | 2013 |
| 4 | Grand Palm Hotel | 2 (two) | 2013 |
| 5 | Grand Mega Hotel | 2 (two) | 2015 |
| 6 | Alvina Hotel | 2 (two) | 2017 |
| 7 | Mega Express | 2 (two) | 2018 |
| 8 | Batavia Hotel | 2 (two) | 2019 |

Source: By writer (2021)

The writer chose Siantar Hotel in Pematangsiantar because Siantar Hotel is one of the oldest hotels in Pematangsiantar City which is still operating well and has typical Dutch building characteristics. Siantar hotel is a three-star hotel and was established in 1916. Siantar Hotel has complete facilities for a three-star hotel, such as a swimming pool, restaurant, ballroom, gym, and meeting room.

This hotel is also used not only by guests who want to stay but also for doing business such as seminars, etc. This hotel is also used by the surrounding community for sports such as swimming pools, gyms and sometimes for photo shoots, wedding ceremonies, and receptions. Here is the list of room from the Siantar Hotel.

**Table 2.3Room type and number of rooms at Siantar Hotel, Pematangsiantar**

| Room Type | Number of Rooms |
|-----------|-----------------|
| President Suite | 1 |
| Suite | 2 |
| Executive | 9 |
| Junior Suite | 4 |
| Deluxe Business | 16 |
| Deluxe | 20 |
| Double Standard | 16 |
| Standard | 14 |

**Sumber: Siantar Hotel, Pematangsiantar city**

Many things can be discussed from this hotel, and the most appropriate discussion and can provide some suggestions and also input for the hotel so that the

hotel can improve the work environment that can make employee works more optimally. One of the problems that can be seen by customers from Siantar Hotel is the hotel environment that is less maintained. This can be seen from the ceiling around the lobby and the lack of lighting around the front desk area. This is supported by several comments from customers regarding the condition of the building condition and also.



**Figure 2.1 Picture of Siantar Hotel**

**Source: By Writer (2021)**
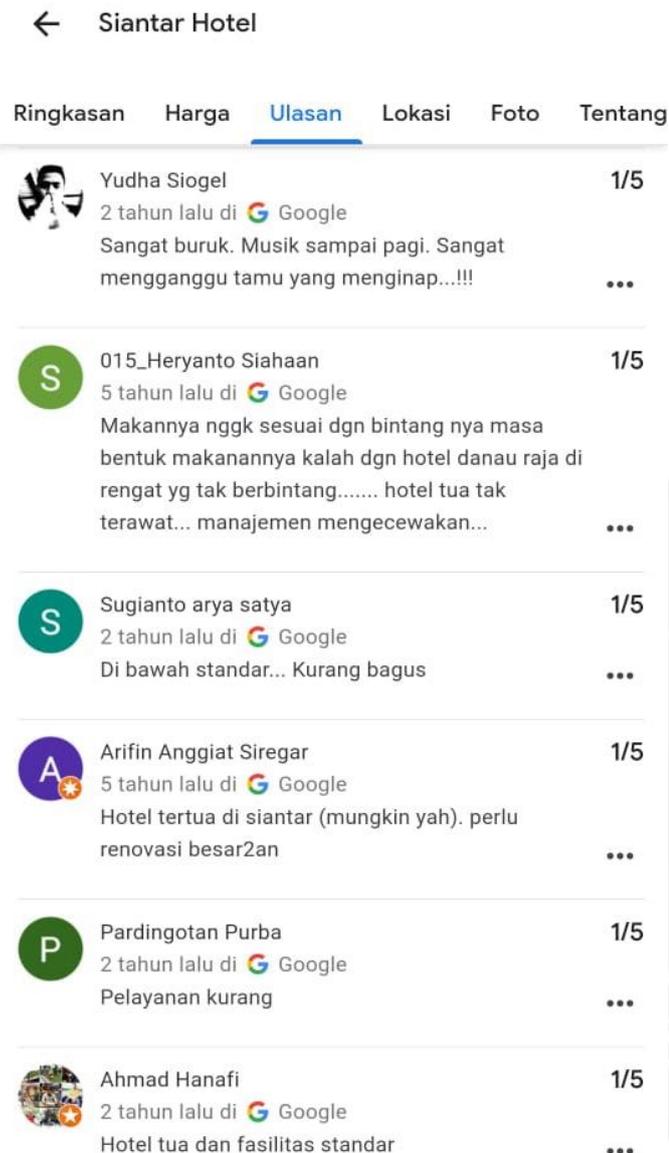
**Figure 2.2 Customers' Comment at Siantar Hotel**

**Source: Traveloka**

According to the research for Siantar Hotel, which can be seen from figure 1.1 and figure 1.2 that can be access by everyone. There are several things that can be discussed, such as:

1. The hotel has an old building

2.  Lack of lighting (obtained from guest comments on Traveloka)

3.  The noise generated by the people around the *Taman Bunga* and some people selling in front of the hotel.

4.  Lack of air ventilation in some employee rooms

5.  Etc.

Due to some of the problems that have been described by the writer above, the writer decided to do a research with the title "The Influence of Working Environment towards Employee Performance at Siantar Hotel, Pematangsiantar".

## 1.2    Problem Limitation

Due to limited time in conducting this research, which is 6 (six) months, the writer decided to limit the problem and focus on case number 2 (two), which is the lack of lighting, with the independent variable (working environment) and dependent variable (employee performance). This research focuss on working environment using indicators from theory of Sedarmayanti (Valentine, 2017), such: lighting, temperature, air circulation, noise, smells, color, decoration/facility, music, security, communication, relationship with co-workers, and relationship with superiors. For employee performance, it uses the indicators from Ginanjar, (2013), such: quantity, quality, timeliness, attendance, and ability to work

**1.3    Problem Formulation**

The purpose of the writer in conducting this research is to analyze how the working environment can influence the performance of workers at Siantar Hotel, Pematangsiantar. Therefore, this study seeks to answer the following questions:

1. How is the influence of working environment at Siantar Hotel, Pematangsiantar?

2. How is the influence of employee performance at Siantar Hotel, Pematangsiantar?

3. Does working environment have influence towards employee performance at Siantar Hotel, Pematangsiantar?

**1.4    Objective of the Research**

The objectives of the research in this study are:

1. To identify the working environment at Siantar Hotel, Pematangsiantar.

2. To identify the employee performance at Siantar Hotel, Pematangsiantar.

3. To identify the relationship between the working environment and employee performance at Siantar Hotel, Pematangsiantar

**1.5     Benefit of the Research**

Based on the stated objectives of the research, there are several benefits of this research. The benefits of this research are expected for the world of education, especially in hospitality management studies; to help readers think critically, and have a deeper understanding of the research subject, directly or indirectly. The benefits of this research can be divided into two, namely:

**1.5.1     Theoretical Benefit**

It is hoped that this research study will provide knowledge about the benefits of maintaining work environment in the hotel business so that students studying hospitality, hotel owners, or those related to the world of hospitality can advance employee performance, especially in the hospitality in Indonesia.

The theoretical benefit of writing this research is to show the validity and reliability of the research conducted by previous researchers. The research conducted by this writer will present some answers and new ideas related to the topic, namely the relationship between work environment and employee performance at Siantar Hotel, Pematangsiantar. The writer hopes that this research can help further researchers to understand the work environment and employee performance. Researchers also hope that this research is useful for readers to provide information about the work environment and the things the work environment can bring to employee performance. In addition, this research can be a reference material for future researchers who have the same or related variables.

**1.5.2   Practical Benefit**

The practical benefits of this research can be divided into:

1.  Benefits for writers

    To add insight and knowledge about the work environment, employee performance, and also how the relationship between the work environment and employee performance.

2.  Benefits for the company

    The practical benefit of writing this research is to help Siantar Hotel Pematangsiantar to improve the performance of hotel employees based on the influence of the work environment at Siantar Hotel Pematangsiantar, and to maximize the work environment on employee performance.

3.  Benefits for future researchers

    This research can also be used as a guide by future researchers who use the same variables or same research object.