

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Background of the Study**

In the restaurant business, service is an inherent part of the convenience of visiting consumers. In implementing a good hospitality model, each management will see the opportunities that exist in the future. With the development of the business world, the competition faced by companies will also be tighter. To achieve goals and targets in the future, it is necessary to have professionalism in directing planning and supervision as well as coordination to carry out all operational activities properly.

Restaurant and café business is related to the application of hospitality. Hospitality is an activity in providing services to guests. The success of a business is determined by the number of customers it has. Restaurant and café businesses that can survive well have competent hospitality management in implementing a good hospitality concept. The ability of restaurants and cafes to meet customer needs and wants will provide more value than other competitors. The implementation of good hospitality is one of the most important tools in achieving the expected business targets. This will also support the increasingly competitive competition between restaurants and cafes today. By implementing good hospitality, a good strategy has been implemented in achieving goals and having a positive impact on business development in the future.

Changes in the era of globalization have increasingly led to changes in the emergence of new products, new thinking, increasingly growing competitive markets, and the emergence of increasingly fierce competition between restaurants and cafes. With the increasing and varied needs and desires of consumers, it is increasingly difficult to meet and satisfy consumer needs. Business actors in their development not only try to meet consumer needs but also try to make improvements and increase customer satisfaction.

Customer satisfaction is an important element in the restaurant and café business. Consumers always assess the performance of a restaurant or café in providing services as a measure of the satisfaction they have. If consumers are satisfied, they will buy more products that are being sold and recommend them to others. If consumers are not satisfied, they will tend to complain and stop buying the product being sold. Consumers judge their satisfaction with the results of their expectations of the products or services they buy and use. With customer satisfaction achieved, it means that the expectations of consumers in the purchased product have been successfully fulfilled.

Customer satisfaction is an assessment of a full purchase where the alternative chosen offers the same results or exceeds the standards of the customer. If the outcomes obtained fail to satisfy consumer needs, disappointment emerges. Customer satisfaction often refers to the scale and direction of a validation or disconfirmation between post-purchase and post-use, or a product or service efficiency assessment and pre-purchase customer review. (Albari and Katikasari, 2019)

To meet customer satisfaction, restaurants depend on employee performance at work and provide services to consumers. With good performance from employees, more consumers will be because the needs and desires of consumers are met. On the other hand, if the employee's performance is not good and does not meet customer satisfaction, then consumers will file complaints and this shows that customer satisfaction is still not good and this will also have an impact on the development of the restaurant business.

M&R Restaurant is a restaurant engaged in the culinary field with Malacca flavors which is a blend of Malay and Chinese culture. The menu served is a typical Peranakan menu that is more suited to Asian tastes. This restaurant is located on Jalan Taruma No. 37 Medan. The continuity of business activities will be largely determined by customer satisfaction. Customer satisfaction is the main value in maintaining the business model to be more competitive in the future. In guest services at M&R Restaurant, at this time, there are still several complaints in the following data.

**Table 1.1**  
**Complaint Data of M&R Restaurant**

Year	Amount of Complaint	Reason of Complaint
2017	35	1. Slow service to customers 2. Some of the menus served do not match the taste of the restaurant 3. Employees who are less responsive to customers 4. Food portions served are often inconsistent 5. Employees who do not make the ordered menu
2018	28	
2019	32	
2020	28	

Source: M&R Restaurant, 2017-2020

In the data displayed, the number of complaints that occur is still routine because the employee's performance has not been optimal in providing services. The complaints received by the restaurant show that the services provided have not

been maximal in getting customer satisfaction. Less than optimal service management shows that employee performance has not gone as expected. Various problems in service that occur include slow service from consumers, the taste of the menu that is not suitable for consumers, employees who are slow in providing service, inconsistent food portions, and employees who forget to make menus if menu orders are large.

The following is some reviews from foodblogger makanmana.net and google reviews about M&R Restaurant Medan.

*Kami juga memesan Gurami Kencong atas rekomendasi pelayan resto. Karena saya sendiri penggemar kencong, satu porsi bisa habis saya libas sendirian kalo bukan karena ikannya agak bau tanah. Menu berikutnya, Ayam Hot Pan dengan bau belacannya yang kentara, sayang agak sedikit berminyak. Rusa Lada Hitam, sedap rasanya tapi penyajian kurang berkesan eksklusif dan mahal. (makanmana reviews, 2019).*

*Olah dapurnya not bad, tapi entah kenapa tempat ini sepi. Konon, resto ini juga membuka cabang di Jalan Asia. Beberapa kali makan disana bisa dibilang olah dapurnya not bad, tapi entah kenapa tempat ini rada sepi. Apa karena kurang exposure, interiornya yang meskipun bagus tapi lightningnya agak suram, servisnya kuran berkesan (pelayannya ramah, namun bukan ramah-tamah dan profesionalitas yang di expect oleh restoran, misalnya ada 1 pesanan kami yang tidak keluar (makanmana reviews, 2019).*

*Makanan China yang baik tapi pelayanan yang lambat (from Google reviews, 2020).*

*Samcan pete hanya banyak lobak kering, samcan tidak ada ayam semboi sangat asin (Google reviews, 2020).*

Based on the results of observations made by the writer, the main problem in this study regarding employees who have not provided good performance in the services performed can be seen from consumers who are still filing complaints through the complaints given. This of course triggers a decrease in customer satisfaction because the services provided are not by the performance expected by customers.

Based on the background of study described, the writer decided to do research with the title "**The Influence of Employee Performance towards Customer Satisfaction at M&R Restaurant Medan**"

## **1.2 Problem Limitation**

In this research, writer will limit the problem in specify to employee performance from customer perception at M&R Restaurant Medan.

With the limited knowledge and ability possessed by researchers in conducting research, the researcher focuses on employee performance as independent variables with the indicator for variable customer satisfaction, researcher will take the indicator from Diana (2020), which is about: purpose, standard, feedback, tools or means, and competence

Customer satisfaction as the dependent variable with the indicators for variables customer satisfaction variables, the writer will take the indicator from Agustin and Maolan, (2020), customer satisfaction as the dependent variables which is about: expectation, performance, comparation and experience. The problem discussed in this research is about customer satisfaction that has not been in terms of employee services that are still not friendly with customers.

## **1.3 Problem Formulation**

Based on the problem identification, the authors formulate problems in this study include is :

1. How is employee performance at M&R Restaurant Medan?

2. How is customer satisfaction at M&R Restaurant Medan?
3. Does the employee performance have an influence on customer satisfaction at M&R Restaurant Medan?

#### **1.4 Objective of The Research**

Based on the problem formulations above, the research objectives in this research are as follow:

1. To explain about the employee performance at M&R Restaurant Medan.
2. To explain about the customer satisfaction at M&R Restaurant Medan.
3. To analyze whether employee performance influence customer satisfaction M&R Restaurant Medan.

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

Benefits of this research can be listed as follow:

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

In this research, the theoretical benefit as follow:

1. By conducting research, you can improve the writer's expertise and skill in conducting research.
2. Textbooks for all students enrolled at Universitas Pelita Harapan in Medan

##### **1.5.2 Practical Benefit**

In this research, the practical benefit as follow:

1. To the firm, to ascertain if the survey conducted would be beneficial in terms of increasing the company's efficiency.

2. To other individuals, prospective researchers, and readers: to serve as a reference in directing the reader to do further research that is consistent with this report.
3. Additionally, to obtain input into what data needs to be updated as a result of this study, so that readers can see how to enhance the accuracy of their own data..

