

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Generally, it is known that customer loyalty is very important towards many businesses, as there are high possibilities for loyal customers to keep on coming back to their favored brand and spread brand awareness to other people through word-of-mouth marketing, especially when they have ever had unforgettable great experiences with that certain brand in the past, which will help to increase the business revenue.

Furthermore, it is important to know that one of the ways for businesses to gain loyal customers is actually by providing great customer service because how employees respond to their customers either by words or actions is evaluated by customers themselves, in which therefore, good employee performance is needed in every company.

Employee performance refers to how every employee carries out their role, finishes their assigned tasks, and acts at the workplace, in which many aspects can influence employee performance, such as work environment, motivation, leadership, and many others else.

Generally, work environment refers to any aspect around employees which can influence them in carrying out their duties. It is suggested for every company pay high attention to the work environment of employees, as good work environment plays a big role in improving the performance of employees,

in which work environment can be considered good if the environment at the workplace can give a sense of comfort and security.

Furthermore, when talking about motivation, refers to any aspect which can encourage people to do something. It is suggested that every company give motivation to their employees, in which to be more specific, giving motivation can be done by giving awards, bonuses, and many other else, to encourage employees to work optimally. Because if employees are not motivated, then there will be high possibility for employee performance to decrease.

And regarding leadership, refers to the ability of an individual to influence, as well as, to guide other individuals in terms of feelings, thoughts, and behaviors to encourage them to do well in executing various kinds of activities in order to reach common goals.

So, as the writer is researching the influence of work environment, motivation, and leadership on employee performance at Mega Express Hotel, therefore, the writer will briefly explain Mega Express Hotel here. Mega Express Hotel is a budget hotel which is located at Sangnawaluh street, Pematang Siantar, North Sumatra, Indonesia, and was opened on 31<sup>st</sup> October 2018. Mega Express Hotel was not established upon the decision of only one person, but it was established upon the decision of several members of the same family.

The reason behind the establishment of Mega Express Hotel lies in the need of providing people with a modern and minimalist hotel at an affordable price, especially as there are quite a lot of factories in Pematang Siantar, such

as PT. STTC (Sumatra Tobacco Trading Company), CV. Sinar Jaya, and many others else, which lead many entrepreneurs and salesmen who live in other cities to need to go back and forth to Pematang Siantar for work-related purposes.

According to the reviews left by customers on Google regarding the performance of Mega Express Hotel's employees, it can be seen that the employee performance at Mega Express Hotel is still not that good and needs to be improved since there are some negative reviews about the customer service. Following are the reviews left by customers on Google regarding the performance of Mega Express Hotel's employees.

**Table 1.1 Reviews of Employee Performance at Mega Express Hotel**

Posting Time	Comments
2019	Bad service.
2019	The security team is arrogant.
2022	Unfriendly security.

Source: Prepared by the Writer (Google Review, 2022)

Based on table 1.1 above which shows the reviews left by customers on Google regarding the performance of Mega Express Hotel's employees, it can be seen that Mega Express Hotel was criticized for having poor employee performance, as it is said by the customers that Mega Express Hotel has bad service, as well as, arrogant and unfriendly security team.

Moreover, regarding the employee performance at Mega Express Hotel, based on the interview with the employees of Mega Express Hotel that was conducted by the writer, it is said that the employees of Mega Express Hotel are able to take the initiative in doing their job without being asked to,

as well as, in dealing with their problems. However, on the other side, it is also said that sometimes the employees of Mega Express Hotel are still unable to finish their job well and still find it hard to complete their tasks in time or even earlier, which sometimes the aforementioned problems have ever resulted in customer dissatisfaction up to the point where the customers complained. Other than that, it is also said that sometimes the employees of Mega Express Hotel can still find it hard to handle multiple tasks, especially in a short period of time, as well as, there can be miscommunication occurring among employees sometimes.

Furthermore, in accordance with the KPI (Key Performance Indicator) of Mega Express Hotel which mainly focuses on customer satisfaction by providing customers with great service without receiving any complaints, asking for customers' feedbacks, and improving what needs to be improved, therefore, it can be seen that some rooms for improvement are needed in regard to the employee performance at Mega Express Hotel since the employees are sometimes still unable to finish their job well and quickly up to the point where the customers complained. Not forget to mention, KPI is defined as a measurement to quantify the performance of a company. Generally, there are several types of KPIs, such as financial metrics, customer metrics, process performance metrics, marketing, IT, and sales, in which the type of KPI used by Mega Express Hotel is customer metrics to know and understand better the service that customers have been receiving.

As has been mentioned previously that work environment, motivation, and leadership are part of the aspects that can influence employee performance, therefore, every hotel or company needs to pay attention to those aforementioned aspects.

More than that, the writer herself has also conducted an interview with 3 employees of Mega Express Hotel, in which the 3 of them are from 3 different departments involving Front Office, Housekeeping, and Security department. The main reason why the writer conducted an interview lies in the need of finding out more about the employee performance itself, as well as, the aspects that may influence the employee performance, which the aforementioned aspects are work environment, motivation, and leadership.

Firstly, regarding the work environment at Mega Express Hotel, based on the interview, it is said that the lighting at Mega Express Hotel is bright enough. Nevertheless, there were also several times when the light bulb went off, it took the employees quite a while to change the light bulb into the new one which could sometimes hinder the performance of other employees. Other than that, it is also said that the air temperature at Mega Express Hotel can be hot sometimes, which is because the air conditioner is not always on. However, the decoration of Mega Express Hotel is said to be nice and eye-pleasing which makes the employees feel more energized when working.

Second, regarding the motivation of employees at Mega Express Hotel, based on the interview, it is said that many employees are not satisfied with the salary given by Mega Express Hotel, in which they believe that they should

receive a higher salary considering the amount of work they have to do. Other than that, the employees also believe that it is important for the company to reward the employees when they have especially done a great job to increase their work motivation. Furthermore, it is also said that sometimes there can be conflicts occur among employees. However, the employees said that they feel secure working at Mega Express Hotel and there have been quite a lot of opportunities for them to apply their skills and knowledge at the workplace as well.

Lastly, regarding the leadership at Mega Express Hotel, based on the interview, it is said that the manager of Mega Express Hotel can lead and guide employees in achieving company's expectations, as well as, being favored by most employees. However, despite being able to lead and guide the employees, as well as, being favored by the employees, it is said that the manager of Mega Express Hotel still cannot be considered a good example for the employees due to lack of firmness. Furthermore, it is also said that not all decisions made by the manager of Mega Express Hotel are wise, in which in other words, the manager of Mega Express Hotel does not always think critically before making a decision. For instance, there have been several times when the situation was hectic and the manager of Mega Express Hotel ended up making a rash decision without thinking critically beforehand.

Furthermore, as the writer is curious to find out more about the issue regarding the employee performance at Mega Express Hotel and whether is indeed caused by work environment, motivation, and leadership, therefore, the

writer has decided to do a research with the title “**The Influence of Work Environment, Motivation, and Leadership on Employee Performance at Mega Express Hotel, Pematang Siantar**”.

## **1.2 Problem Limitation**

As the result of the research will be less accurate if the research is not limited, therefore, the writer has decided to conduct the research by setting up several limitations, such as:

1. In this research paper, there are four variables consisting of work environment, motivation, and leadership as variable X (independent variable), as well as, employee performance as variable Y (dependent variable).
2. The leader being discussed in this research is limited to the manager of Mega Express Hotel, whose name is Mrs. Sulliani Hasan.
3. The factors which influence employee performance as variable Y (dependent variable) being studied in this research paper include work environment, motivation, and leadership as variable X (independent variable).
4. According to Sedarmayanti (2001, p.21), the indicators of the work environment (X1) consist of lighting, air temperature, and decoration of the workplace. According to Kusuma (2016), as cited in Gunawan, et al. (2020), the indicators of motivation (X2) consist of physiological needs, safety and security needs, social needs, needs for appreciation, and self-

actualization needs. According to Efawati (2020), the indicators of leadership (X3) consist of having skills and strengths in a field of work they lead, being able to influence others for organizational goals, can be accepted by the group of subordinates in an organization, as well as, able to adapt to the situation in every decision making so that subordinates can accept with satisfaction. According to Rizky (2001:15), as cited in Akbar (2017), the indicators of employee performance (Y) consist of quality of work, communication, speed (promptness), capability, and initiative.

### **1.3 Problem Formulation**

Based on the research background above, the writer has formulated the following research questions:

1. Does work environment have a partial influence on employee performance at Mega Express Hotel, Pematang Siantar?
2. Does motivation have a partial influence on employee performance at Mega Express Hotel, Pematang Siantar?
3. Does leadership have a partial influence on employee performance at Mega Express Hotel, Pematang Siantar?
4. Do work environment, motivation, and leadership have a simultaneous influence on employee performance at Mega Express Hotel, Pematang Siantar?

#### **1.4 The objective of the Research**

Based on the problem formulation above, the objective of this research is to find out more about the problems contained in the title as follows:

1. To analyze whether work environment has a partial influence on employee performance at Mega Express Hotel, Pematang Siantar.
2. To describe whether motivation has a partial influence on employee performance at Mega Express Hotel, Pematang Siantar.
3. To examine whether leadership has a partial influence on employee performance at Mega Express Hotel, Pematang Siantar.
4. To investigate whether work environment, motivation, and leadership have a simultaneous influence on employee performance at Mega Express Hotel, Pematang Siantar.

#### **1.5 The benefit of the Research**

Two types of benefits can be obtained from this research regarding how work environment, motivation, and leadership can influence the employee performance at Mega Express Hotel, Pematang Siantar, such as:

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

The theoretical benefit of this research is to prove whether or not work environment, motivation, and leadership can influence the employee performance of a business, as well as, to gain more knowledge regarding work environment, motivation, leadership, employee performance, and the

relationship between the variables, in which the results are expected to also contribute to relevant theories.

### **1.5.2 Practical Benefit**

The practical benefits of this research are as follows:

1. For the writer, this research provides the writer with more insights and knowledge regarding work environment, motivation, leadership, and employee performance. As for the company, this research is really helpful in finding out whether or not work environment, motivation, and leadership can influence the employee performance.
2. For other researchers, this research can be a reference for topics that are related to work environment, motivation, leadership, and employee performance.