

CHAPTER I

INTRODUCTION

1.1 Background

How great is the advancement of technology and the development of information, it will be difficult for the organization to achieve its goals without human resources. If the human resources are good and what is needed is fulfilled, the employee performance will increase. Many factors influence the improvement of employee performance, including work environment, transformational leadership style, motivation, and employee performance.

To manage the organization to remain consistent with the goals of the organization, a leader is needed because leadership is an important part of improving the performance of employees. According to Stoner (1996), transformational leadership style is a variety of behavior pattern preferred by leaders in the process of directing and influencing workers. Mulyadi and Rivai (2009) mentioned that leaders in their leadership era need to think as well as to demonstrate leadership styles. Ivansevich et al. (2008) stated that leadership is the ability to use the influence of the environment or situation of the organization, to produce a meaningful effect and environment impact on the achievement of challenging objectives.

The work environment in an organization or company is very important to be considered by management. Although the work environment does not carry out the production process in a company, the work environment has a direct influence on employees who carry out the production process. The work environment is an atmosphere where employees conduct activities every day. The work environment is generally determined by six dimensions: responsibility, coordination, team spirit, reward, standards and organizational clarity Timpe and Dalle (1999). Work environment is able to create

motivation and reward if it is supported by nine factors: core values of the organization, leadership, employee aspirations, achievement, recognition, development, and role of work design, quality of work life, balance at the work and talent management Armstrong (2009). According to Barry et al. (2001), the work environment is the physical environment where employees' work affect the performance, security, and quality of their working lives.

A healthy and good work environment will affect the work comfort of employees. If employees feel comfortable at work, it can be ascertained that performance will increase. Employee performance is one of the mandatory aspects to be considered by a company because the performance of the employee requires the organization to achieve its goals Surbakti and Suharnomo (2013). The term performance is elaborated as the ultimate ability of an individual employee to use its knowledge and skills efficiently and effectively. According to the research, the performance of employees is strictly related to his/her physical and academic profile Dvir et al. (2014). The performance of employees is the result of a planned process in a specific job at the time and place of the employee and the organization concerned according to Mangkuprawira et al. (2007).

Motivation is a cause that distributes and supports human behavior that they work hard and are enthusiasts to achieve optimal results (Hasibuan, 2007). Therefore, motivation is very important in human life because with motivation people can push the limits of their minds and achieve something they need and want. Handoko and Hani (2003) stated that work motivation is an individual's personal circumstances that encourage the willingness of individuals to perform certain activities in order to achieve a goal. According to Malthis and Jackson (2006), motivation is a desire in a person that causes the person acts.

This research is motivated by previous studies as a comparison in the context of research in organizations. The previous studies concluded that transformational leadership

style has a positive influence on employee performance through motivation. According to Hanifah et al. (2014), the result showed a significant relationship between transformational leadership style employees that has improved the performance and motivation of all employees within the company. According to Khan and Nawaz (2017), there is a need of shared transformational leadership style which contains the mixture of attributes of both the styles that can motivate and encourage their employees. According to Elqadri et al. (2015), degree of correlation between leadership style, motivation on employee performance is very strong. According to Almer et al. (2017), this study showed significant, that leadership style and motivation directly influence the performance of employees of PT. Star Finance Diponegoro. Turang et al. (2015) found that leadership style motivation and has a significant influence simultaneously on employee performance in PT. Daya Cipta.

Leadership style has an impact to employee performance. According to Hanifah et al. (2014), there is a significant relationship between leadership style and employee performance in improving performance within the company. According to Nawaz (2017), leadership style is having correlated to the performance of employees. Both these styles have a significant impact upon the performance of the individuals. According to Lumbasi et al. (2016) the study established a significant positive effect between application of participative leadership style and the performance of the employee. According to Turang et al. (2015), leadership style has a significant influence partially on employee performance in PT. Dayana Cipta. Febiningtyas, and Ekaningtyas (2014) accepted their first hypothesis that leadership affects employee performance, based on the significance value.

Leadership style has an impact on motivation based on which studies. According to Hanifah et al, (2014), the correlations between the above two leadership styles and the learning motivation of students are both “moderate to a good relationship”. Then, it is obvious that there is a significant relationship based on the leadership style and motivational

work practiced by PT Peln. According to Elqadri et al. (2015), the value of the multiple correlation coefficient of $R = 0,985a$, indicating that the degree of correlation between leadership style and motivation is very strong. According to Turang et al. (2015) leadership style has a significant influence partially on motivation in PT. Dayana Cipta. According to Febiningtyas and Ekaningtias (2014), the test result of the effect of leadership variables on motivation showed that leadership variable has a significant effect on motivation with the significance value.

The work environment has a positive influence on employee performance through motivation according to Muchtar (2016). Simultaneously, the motivation and the working environment significantly influence employee performance. According to Renah and Setyadi (2014), there is a significant influence between the work environment and work motivation on employee performance. The positive coefficient showed a positive relationship. According to Mangkunegara (2016), motivation and work environment have a significant effect simultaneously on physicians' performance at X hospital. According to Aluf et al. (2017), the empirical result indicated that motivation and work environment have a positive and significant effect on their performance. According to Riyanto et al. (2017) based on the correlation between the work environment and motivation, it has a significant effect on employee performance.

Work environment has an impact on employee performance. According to Muchtar (2016), partially working environment significantly influences the performance of employees at the University of PGRI Ronggolawe Tuban. According to Riyanto et al. (2017), based on the correlation work environment has the greatest relationship or most closely related to employee performance. Putra and Sari (2017) showed significant results that the work environment affects employee performance. Taty & Basir (2016) stated that

work environment has a direct and significant influence on employee performance. In addition, Mangkunegara (2016) stated that work environment has a significant effect on physicians' performance at X hospital.

Work environment has an impact on motivation (Renah and Setyadi, 2014). It can be concluded that there is a significant effect between working environment and working motivation. According to Muchtar (2016) Simultaneously the motivation significantly influence motivation. According to Aluf et al. (2017), the empirical result indicated that the work environment has a positive and significant effect on their motivation. Musriha (2011) found that the work environment significantly influences the motivation of cigarette rollers in Kudus District, Central Java Province. While according to Mangkunegara (2016) Work environment has a significant effect on physicians' motivation at X hospital.

Motivation has an impact on employee performance (Mangkunegara, 2016). Motivation has a significant effect on physicians' performance at X hospital. According to Turang et al. (2015), motivation has a significant influence partially on employee performance in PT. Dayana Cipta. Renah and Setyadi (2014) stated that there is a significant effect between working motivation and performance. Musriha (2011) found that the job motivation significantly affects the job performance of cigarette rollers in Kudus District, Central Java Province. In addition Aluf et al. (2017), the result indicated that motivation has a positive and significant effect on their performance.

In this study, the researcher wants to know the effects of the implementation of the work environment and leadership style on the performance through motivation on employees in the Abadi Hotel Yogyakarta. The researcher is interested in conducting research with the title " The Influence of Work Environment and Leadership Style on

Employees' Performance through Motivation as an Intervening Variable in Abadi Hotel Yogyakarta".

1.2 Research Problem

The research problems are formulated as follows:

1. Is there any positive influence of transformational leadership style on motivation?
2. Is there any positive influence of work environment on motivation?
3. Is there any positive influence of transformational leadership style on employee performance?
4. Is there any positive influence of work environment on employee performance?
5. Is there any positive influence of motivation on employees performance?
6. Is there any positive influence of transformational leadership style through motivation on employees performance?
7. Is there any positive influence of work environment through motivation on employees performance?

1.3 Purpose Statements

Based on the research problem above, the purposes of this research study will be:

1. To find out the positive influence of transformational leadership style on motivation.
2. To find out the positive influence of work environment on motivation.
3. To find out the positive influence of transformational leadership style on employees performance.
4. To find out the positive influence of work environment on employees performance.
5. To find out the positive influence of motivation on employees performance.
6. To find out the positive influence of transformational leadership style through motivation on employees performance.
7. To find out the positive influence of work environment through motivation on employees performance.

1.4 Research Benefits

This research study is expected to bring benefits for:

1. The researcher

This research is expected to deepen and enrich the knowledge and insight of the researcher who is studying in management especially human resource concentration to obtain an optimal result at Abadi Hotel Jogja by Tritama Hospitality.

2. The company

The result of this study can be used by an organization management to evaluate their performance, regarding their human capital in term of the work environment, transformational leadership style, and motivation towards performance at Abadi Hotel Jogja by Tritama Hospitality.

3. Future researchers

The results of this study can be one of the references in understanding the influence of work environment and transformational leadership style and are expected to be studied more deeply and more comprehensive for further research.

