

CHAPTER I INTRODUCTION

1.1 Background of the Study

Human resources are the key elements that determine the success of an organization. As the primary drivers of policy implementation and operations, employees are required to master relevant competencies, knowledge, and skills. In this context, HR professionalism becomes a crucial factor in improving organizational performance, because professional and qualified workers tend to have a higher commitment to their work and are able to carry out their tasks more effectively and efficiently (Ghaniynaafi & Swasti, 2025).

The hospitality industry is a sector that relies heavily on the quality of its human resources and has dynamic yet competitive characteristics, especially in Surabaya. This dynamic is evidenced data from the BPS-Statistics Indonesia Jawa Timur Province (2025), which shows that in October 2025, the number of international tourist arrivals through Juanda Airport increased by 4,80% compared to the same month in 2024. During the same period, domestic tourist travel to East Java also experienced a significant increase of 1,01% compared to September 2025 (month-to-month), with a total of 16,08 million trips. The city of Surabaya was the main destination with the highest number of visits, reaching 2,60 million trips, or approximately 16,12% of the total domestic tourist travel to East Java. This increase in demand has a direct impact on Room Occupancy Rate (TPK) of star-rated hotels in East Java, which rose by 4,26 points to 52,63%. This figure indicates that almost half of the star-rated hotel rooms in East Java are occupied every night. The high Room Occupancy Rate (ROR) of hotels is influenced by several key factors, including the hotel's strategic location, good service quality, complete facilities, and competitive prices (BPS-Statistics Indonesia Jawa Timur Province, 2025).

This phenomenon aligns with the operational conditions at Oakwood Hotel & Residence Surabaya. Based on the Daily Information Sheet dated October 10, 2025, the daily occupancy rate was recorded at 43,75%, with total in-house guests reaching 135 rooms out of a total of 144 rooms. This achievement shows an increase in service volume compared to the previous period.

Daily Information Sheet
Friday, 10 October 2025

	Last Night	MTD ACTUAL	MTD BUDGET	YTD ACTUAL	YTD BUDGET	YTD LAST YEAR	TODAY	
Occupied rooms	60	686	910	17.797	28.350	20.564	Occupancy Today	43,75%
% Occ. Rooms	41,67%	52,93%	70,2%	43,83%	69,81%	53,25%	Arrivals	31
ARR	954.761	919.804	906.163	1.077.930	935.072	967.688	Departure	28
Occupied rooms - COMP & House	60	679	908	17.636	28.307	20.400	Total room	63
% Occ. Rooms - COMP & House	41,67%	52,39%	70,0%	43,43%	69,7%	52,83%	Total Guest inhouse	135
ARR - COMP & House	954.761	929.286	908.352	1.067.770	936.498	975.468	Arrivals tomorrow	21
REVPAR	397.817	486.871	636.112	472.417	652.817	515.319	Departure tomorrow	28
Complimentary	0	2	2	58	41	116	Morning DM	Megalia Yuliana
House-Use	0	5	-	103	0	351	Evening DM	Erwin Ramadhany
Room Revenue net	57.285.664	630.985.308	824.400.701	19.183.916.348	26.509.572.771	19.899.544.014	Night CSR	Qlatza Zawk Iham Andrian
Food and Beverage Revenue net	8.246.871	91.060.714	123.929.535	3.922.179.586	4.350.133.845	3.848.139.912	MOD Incharge	-
Food and Beverage Revenue Banquet	26.033.058	38.636.365	190.828.349	1.520.638.509	4.081.249.910	3.275.662.420	Guest Birthday	-
Miscellaneous Revenue net	681.267	11.925.670	11.258.035	303.950.955	355.146.018	425.806.455		
Total Revenue net	92.246.860	772.608.058	1.150.416.619	24.930.685.399	35.296.102.543	27.449.152.801		

Figure 1.1 Daily Information Sheet

The increase in occupancy directly impacts the workload of employees and has potential to widen the gap between service standards and service delivery if it is not balanced with sufficient training quality and employee self-confidence in carrying out their duties. In such a competitive environment, the success of a hotel is no longer determined by luxurious facilities, but by the quality of service (service excellence) provided to guests. Consistency in service excellence is a strategic asset that determines business sustainability in the five-star hospitality industry, yet it cannot be achieved without the support of high-performing employees.

Employee performance is defined as the degree of success or results achieved by an individual in carrying out their duties, supported by their skills and clear understanding (Lubis, 2008). It is considered an important

factor for both employees and organizations in relation to productivity (Bakotić, 2016; Ostroff, 1992). The success of performance is certainly influenced by several aspects, such as training and development for employees (Bakotić, 2016; Lubis, 2008). Aguinis & Kraiger (2009) characterize training as a structured series of activities designed to augment knowledge, skills, and experience, as well as to effect changes in employee attitudes. In addition to technical competence, psychological factors also contribute significantly, particularly self-efficacy, which refers to an individual's belief in their capability to accomplish tasks (Bandura et al., 1997). Self-efficacy is built through four main processes, which are cognitive processes, motivational processes, affective processes, and selection processes (Kristiyani, 2016). Wiharja et al. (2020) observe that individuals with low self-efficacy tend to diminish their efforts, whereas those with high self-efficacy strive persistently, drawing upon their abilities to address challenges and fulfill their work obligations.

Oakwood Hotel & Residence Surabaya is a 5 star serviced residence that is a part of The Ascott Limited, a leading global hospitality brand. Oakwood offers international standards and not only targets tourists (leisure), but also focuses on corporate, social events, and MICE (Meetings, Incentives, Conferences & Exhibitions), where high service consistency is mandatory. Nevertheless, in its operational activities, there are several issues that can affect the quality of training and employee self-efficacy, which can ultimately impact the hotel's overall performance and market competitiveness.

Prastica and Silitonga (2022) define employee performance as reflecting employee contributions to the company, encompassing dimensions such as quantity, quality, work pace, attendance, and cooperativeness. According to initial interviews and observations, several performance issues were found in almost all departments, indicating that the challenges faced are not limited to technical matters, but also involve competence and how effectively the learning process takes place.

Table 1.1 Summary of Performance Issues in Each Department

Department	Employee Performance Issue
Human Resource	Training has not been optimally implemented, orientation for new employees has been delayed, and there are no pre-tests or post-tests, so the effectiveness of training cannot be objectively evaluated.
Sales & Marketing	Event information is often incomplete, coordination with operational departments is not optimal, and there is a dependance on supervisors in the administrative process.
Engineer	Coordination with the Front Office/Housekeeping regarding maintenance is not yet optimal.
A&G, IT, and REV	Slow system response during high occupancy (inadequate server maintenance)
Front Office	Employees are still hesitant to handle guest complaints, shift handovers do not provide complete information, service speed and efficiency are low, and there is a lack of initiative in helping guests.
Food & Beverage	Service speed is slow, engagement in service responsiveness are low.
Finance	There are differences between nominal bills and drafts and repeated re-confirmation of administrative documents
Security	Unprofessional service, characterized by impolite communication and a lack of friendliness during vehicle inspections and when interacting with visitors.
Housekeeping	Room inspection standards are inconsistent and there is a lack of attention to detail

Source: Results of interviews with employees at Oakwood Hotel & Residence Surabaya (2025)

Based on a summary of performance issues in each department, several employee issues were found that there is noticeable gap between the service standards expected and operational performance, contributed to a rise in guest complaints and a corresponding decrease in customer loyalty. This supports the research by Hamurişçi et al. (2025), who suggest that service failures can trigger negative customer engagement and reduce customer satisfaction.

These implications are not only evident from internal observations, but can also be observed externally through guest reviews on Google Reviews. To maintain objectivity, positive guest reviews from the same period were analyzed alongside the complaints. This comparative approach prevents a one-sided diagnosis and allows for a more holistic understanding of the hotel's service strengths and weaknesses.

Table 1.2 Guest Complaint and Positive Review

No	Guest Complaints	Positive Review
1.	"Begitu sampai kamar waktu mau mandi pun disambut shower yang bocor. Saat komplain awalnya hanya dipanggilkan teknisi tanpa ada tawaran untuk pindah kamar, ternyata setelah dibetulkan teknisi kemudian dipakai mandi kembali bocor, akhirnya diproses untuk pindah kamar"(Mrs. M)	"The fully equipped kitchen, complete with an electric stove and full set of utensils, was a lovely touch. Even more impressive were the thoughtful amenities such as a washing machine and ironing facilities, which make the room perfect for extended stays" (Mrs. A)
2.	"The security was not so friendly, I was blamed for going in and out wrong elevators, albeit there was no clear indicator of prohibition"(Mr. H)	"Lokasinya strategis banget, dekat ke mana-mana. Kamar mandi bersih dan air panas berfungsi baik. Pengalaman menginap yang sangat memuaskan, sangat rekomen sekali" (Mr. H)
3.	"Pelayanan untuk hotel bintang 5 tidak seperti bintang 5. Datang tak disambut, malah lebih ramah satpam B2 daripada resepsionisnya. Ada teman datang masuk di lantai L juga tidak dianggap. Welcome drink tidak ada" (Mrs. A)	"Hotel MNC group yang menurut saya bagus dan layak dipertimbangkan jika ke surabaya. fasilitas lengkap, untuk para tamu dan harganya cukup lumayan masuk akal dan sesuai dengan fasilitas yang didapatkan" (Mr. R)
4.	"Security staff was too disrespectful by asking irrelevant question such as 'are you sure wanna stay in this hotel?' and mistakingly called	"An exquisite place to stay at east of Surabaya. You can walk for just 5 minutes to get to Galaxy Mall. They serve tasty fish with lemon sauce and fried rice."

No	Guest Complaints	Positive Review
	me the new worker in this hotel and treated me bad” (Mr. S)	(Mr. O)
5.	“Kebersihan lorong kamar kurang terkontrol. Terlihat 2 hari sampah di depan lift tidak dibersihkan”(Mr. A)	“good selalu kesini karena lengkap ada fasilitas semua muanya mesin cuci dalam kamar dll top” (Mrs. L)
6.	"Poor service by reception named Dina. Should undergo more training." (Mr. S)	“The room is very spacious and very well-equipped with a washing machine and stove, so it feels like an apartment.” (Mrs. A)
7.	"gak ada valet parking... gak ada petunjuk masuk hotel... gak ada Front Office yang membawakan barang... gak ada yang mengarahkan... manner pekerjanya gak ada yang oke... nunggu 15 menitan... telpon minta handuk suruh ambil sendiri" (Mr. G)	“Kamar hotel yg sangat berkelas, ada mesin cuci, ada pembuat kopi otomatis, ada dapur kecil, lengkap dengan sunlight, ac-nya dingin pollll, melihat Surabaya baguss kalau malam hari kelihatan semua. Ada fasilitas gym yg buka 24 jam. Kolam renangnya tidak ada kolam renang anak tp indoor kolamnya jadi ga takut hujan” (Mrs. F)
8.	"I'm so disappointed with service when we're checking in and checking out which were too long... the check-in and check-out service was the worst." (Mrs. B)	“Stayed for 2 nights for business. Got a very spacious room (1-bed room service apartment). Strategic location. Good food during suhoor and fasting break.” (Mr. S)
9.	"Bintang 5 tp kualitasnya setara bintang 3. Kebersihan kamar terutama kamar mandi agak kurang, kamar mandi berlumut. Bantal tidak nyaman keras dan complimentary harus diminta lagi untuk hari berikutnya" (Mrs. N)	“The room was excellent — very clean and well-equipped, with a full kitchen including a washing machine, dishwasher, microwave, rice cooker, and tableware for about four people.” (Mrs. P)
10.	"need to train more of your employees service skills... breakfast area: ask to each and every consumer that coming to the place for coffee or tea, they seems not really care. Also, the Egg counter, very slow service." (Mr. D)	“Public facilities are maintained well. The pool is semi-outdoor and is enough to swim for laps if not too crowded. The location is pretty near with ITS and Pakuwon area, so it's very strategic. Overall a nice experience.” (Mrs. P)

Source : Google Review

The guest complaints and positive reviews were analyzed and categorized from qualitative feedback into quantitative data, providing a clearer understanding of the most frequently criticized and most appreciated service dimensions. The results of this analysis are summarized in the following table.

Table 1.3 Guest Review Analysis

No	Criticizeds Aspect	Guest Complain Percentage	Positive Review Percentage
1.	Responsiveness & Proactiveness	30%	0%
2.	Employee Attitude & Professionalism	30%	0%
3.	Service Quality	20%	10%
4.	Facility & Cleanliness Quality	20%	90%

Source: Researcher's processed data

According to the data, this comparative distribution indicates that the primary service gaps are not technical or facility-related, but largely associated with employee behavior and service delivery competence. The complete absence of positive feedback for these two behavioral aspects confirms that inconsistencies persist at the individual employee level, with no recorded instances of employees successfully demonstrating responsiveness and proactiveness that exceeds guest expectations.

Both reviews illustrate how individual performance issues can develop into negative experiences that affect guest's perceptions of overall hotel service standards. Two critical aspects of service namely responsiveness and customer orientation received 30% of complaints yet 0% appreciation from guests. This indicates that two factors are thought to be both the root causes and solutions to this problem, namely training and self-efficacy. Furthermore, the apparent lack of initiative and care among staff points to low self-efficacy, where employees may doubt their ability to handle guest interactions effectively or lack the internal drive to go beyond

the bare minimum. These findings reinforce the need for quality training programs as a mechanism to reduce skill gaps, increase work productivity, and ensure consistency in service standards (Noe, 2010).

Table 1.4 Identification of Performance Issues Based on Employee Performance Indicators

Variable	Indicator	Problem
Employee Performance	Work Quality	Repeated administrative mistakes; inconsistent room inspection standards; service delivery does not meet 5 star standards; lack of attention to detail, responsiveness, and customer orientation
	Work Quantity	Longer task completion times; excessively long check-in and check-out times; slow breakfast service; inefficient work processes due to re-supervision; delays in information deliver
	Job Knowledge	Employee do not understand workflows; confusion when answering phones; service SOP inconsistencies; lack of product knowledge; lack of understanding of the differences between internal and external telephone procedures
	Cooperation & Communication	Ineffective shift handovers; miscommunication; insufficient BEO coordination; suboptimal coordination between engineers and other departments regarding maintenance; uncoordinated service recovery; security services that do not emphasize hospitality communication
	Initiative & Adaptability	Employees still tend to wait for instructions from superiors; do not offer customer-oriented solutions; lack proactivity in assisting guests; low engagement; lack responsiveness to complaints

Source: Researcher's processed data

Based on Table 1.4, it shows that performance issues are multidimensional because they are spread across several indicators. One factor that is likely to contribute significantly is training quality. This assumption is supported by findings in the field regarding the

implementation of internal training programs at Oakwood Hotel & Residence Surabaya, which are still far from optimal.

Table 1.5 Internal Training Implementation Rate for October 2025

Department	Training Plan	Training Implemented	Level of Implementation
Sales & Marketing	15	3	20%
Human Resource	15	4	26,7%
Houskeeping	15	4	26,7%
Engineer	15	2	13,3%
Front Office	15	3	20%
A&G, IT, and REV	15	1	6,7%
Food & Beverage	15	3	20%
Finance	15	3	20%
Security	15	1	6,7%
Total	120	24	17,8%

Sumber : Oakwood Hotel & Resience Surabaya (2025)

According to the data, a gap was found between the planning and implementation of internal training programs. This low implementation rate was mostly due to scheduling conflicts among employees caused by the high dynamics of their tasks, which limited their opportunities to attend training. In addition, several training tended to be more of a one-way approach with limited simulations and scenario-based learning. This phenomenon shows that training has not been a priority in the midst of busy operational activities, resulting in delays that should have aimed to close the skill gap and impacting the unequal transfer of product knowledge.

To overcome the skills gap in the hospitality workforce, training curricula must be coordinated with industry operational needs. This is emphasized by Hussain et al. (2026), and the present findings are consistent with their work. Saber and Kamaruddin (2025) also underline the need to align training programs with industry demands in order to prepare employees for work and boost competitiveness. The performance issues

identified will be analyzed based on their relevance to training quality indicators in order to understand the root causes of the problems from a competency development perspective:

Table 1.6 Identification of Performance Issues Affected by Training Quality

Variable	Indicator	Problem
Training Quality	Relevance & Material Suitability	Some training courses are more material-based and lack simulation; the material is not fully relevant to operational situations
	Organizational & Facility Support	Internal training is not implemented according to the schedule; post-training monitoring is not optimal
	Evaluation & Learning Transfer	There are no pre-tests and post-tests; training effectiveness is not measurable; repeated work errors indicate that learning transfer is not optimal

Source: Researcher's processed data

Referring to Table 1.6, it shows that performance issues are not only caused by individual factors, but also by a competency development system that has not been implemented consistently and continuously. Moreover, the presence of quality training alone does not guarantee enhanced performance unless it is accompanied by confidence in their own abilities. Within this context, self-efficacy constitutes a psychological determinant of how employees translate their competencies into actual job performance. This is supported by research by Ramadhani & Lestariningsih (2020), which states that self-efficacy has a positive effect on employee performance.

Research by Rifa and Gunawan (2025) suggests that low employee initiative in facing challenges is often the root cause of post-training problems. This finding is relevant with Putra et al. (2020), who confirm that self-efficacy significantly affects personal initiative, which is closely related to individual self-confidence. In the context of hospitality, Zunaidah et al. (2020) found that employees with low self-efficacy tend to be passive and

less responsive to guest needs, which impacts service quality. Therefore, considering the close connection between self-confidence and work behavior, the identified performance issues were further analyzed using self-efficacy indicators:

Table 1.7 Identification of Performance Issue Affected by Self Efficacy

Variabel	Indicator	Problem
Self Efficacy	Magnitude	Employees avoid making decisions in complaints situations; dependence on superiors in challenging service conditions
	Strength	Hesitation in handling guest complaints; lack of confidence in explaining information; lack of persistency in ensuring technical repairs are completed (double failure shower)
	Generality	Inconsistent abilities in various service situations; inability to transfer understanding of SOPs to real-life conditions; different performance between routine conditions and high-pressure situations

Source: Researcher's processed data

According to Table 1.7, it appears that several performance issues are related to low employee self-efficacy. Based on empirical studies by Gist (1989) on the relationship between self-efficacy and performance, it has been proven that self-efficacy is a strong indicator of individual performance. For this reason, organizations are encouraged to develop employees with elevated levels of self-efficacy, as they are able to fulfill their work responsibilities effectively and remain resilient to both internal and external environmental influences.

To further validate these indications, a preliminary survey was conducted involving 15 employees from various departments at Oakwood Hotel & Residence Surabaya. The results of the preliminary survey are presented in Table 1.8

Table 1.8 Preliminary Survey Results

No	Statement	Agree	Disagree
1.	I am confident in handling complex guest requests or difficult guest complaints without assistance from colleagues or supervisors.	7	8
		46,7%	53,3%
2.	I remain confident in performing my duties when facing high workloads, multiple guest requests, or operational pressure.	6	9
		40%	60%
3.	I am confident in adapting to new tasks and working effectively in various service situations and departments.	7	8
		46,7%	53,3%

Source: Researcher's Preliminary Survey Data (2026)

The preliminary survey results indicate that several employees still experience challenges related to self-efficacy. The highest percentage of disagreement was found in the strength dimension, where 60% of respondents indicated that they were not fully confident in maintaining their performance under high workloads, multiple guest requests, and operational pressure. In addition, 53,3% of respondents expressed a lack of confidence in handling complex guest requests independently, while another 53,3% reported difficulties adapting to various service situations and new tasks. These findings suggest that employee's confidence in sustaining effective performance under challenging conditions remains a concern and may contribute to variations in employee performance.

Based on the foregoing phenomenon, researchers concludes insufficient training and low self-efficacy are the main reasons behind the decline in employee performance. Strengthening training quality and self-efficacy is a strategic urgency for the sustainability of company performance and reputation. However, a review of previous studies still shows a research gap in the form of inconsistent results that need to be further examined. Research conducted by Milenni Median (2023) at The 101 Hotel Jakarta found that self-efficacy does not affect employee performance, unlike

training, which has a significant effect. Furthermore, research by Berliana Ramadayanthi (2025) at Luminor Hotel Kota found that training and self-efficacy partially did not affect employee performance, even though simultaneously all three variables (training, leadership, and self-efficacy) had an effect on performance. The inconsistency of these findings indicates the need for further study, especially in the context of five-star serviced residences such as Oakwood Hotel & Residence Surabaya. Therefore, this study aims to examine **“The Effect of Training Quality and Self-Efficacy on Employee Performance at Oakwood Hotel & Residence Surabaya.”**

1.2 Problem Formulation

The research questions in this study are formulated based on the background of the problem outlined earlier, as follows:

1. Does training quality affect employee performance at Oakwood Hotel & Residence Surabaya?
2. Does self-efficacy affect employee performance at Oakwood Hotel & Residence Surabaya?

1.3 Research Objectives

Based on the issues outlined above, the objectives of this study are:

1. To determine the effect of training quality on employee performance at Oakwood Hotel & Residence Surabaya
2. To determine the effect of self-efficacy on employee performance at Oakwood Hotel & Residence Surabaya

1.4 Research Benefits

The benefits of this research are classified into three categories, namely theoretical benefits, practical benefits, and academic benefits. Accordingly, the expected benefits of this research are:

1.4.1 Theoretical Benefits

This research aims to enrich the empirical literature on the application of training and self-efficacy in international-standard hotels, especially serviced residences, which remain relatively underexplored in Indonesia. Additionally, it is expected to contribute to the broader knowledge base in Human Resource Management, particularly concerning the effects of training quality and self-efficacy on employee performance in the hospitality sector. The results may also function as a reference for subsequent studies that examine comparable variables but employ different subjects or methodologies.

1.4.2 Practical Benefits

For the management of Oakwood Hotel & Residence Surabaya, this study is expected to serve as material for evaluation and consideration in design and implementation of training programs that are of higher quality, consistent, and suited to the needs of each department. This research can also provide strategic input related to efforts to increase employee self-efficacy in building self-confidence, decision-making, and handling guest complaints. Thus, the results of this study are expected to assist management in improving employee performance, reducing operational errors, and improving service quality and guest satisfaction.

1.4.3 Academic Benefits

This research is intended to provide a foundation for future in-depth studies on Human Resource Management in the

hospitality industry. Additionally, it is expected to serve as an academic resource and learning material for students of the Management Study Program and other stakeholders interested in the areas of training, self-efficacy, and employee performance.