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The effect of compensation, Education and Training, and Self-Efficacy on Hotel Sales Marketing Performance in North Sumatera Province Moderated by Constructive Retention

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Abstract

The problem in this study is the low loyalty and performance of sales marketing staff at 3 star to 5 star hotels in North Sumatra. From the phenomenon that occurs that the low hotel sales marketing loyalty is caused by compensation, education and training and low self-efficacy. This study examines the effect of compensation, education and training, and self-efficacy as independent variables and constructive retention as an intervening variable on the sales marketing performance of 3-star to 5-star hotels in North Sumatra. The research findings show a positive and significant effect of compensation, education and training, and self-efficacy on sales marketing performance and constructive retention as intervening variables. The results of this study can be used as a reference for hotel management on how to build the performance of sales marketing employees with constructive retention. Based on hypothesis testing, all hypotheses built in this study proved to have a positive and significant effect. The empirical findings also uncovered that the respondents' qualitative answers to the indicators were good, meaning that the indicators used in this study were feasible.

Keywords: Education and Training, Compensation, Self-Efficacy and Sales Marketing Performance

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INTRODUCTION

In North Sumatera Province. Indonesia, the hospitality industry is essential to economic growth. hospitality industry uses local resources from various regions in Medan City (Parlinah et al., 2010). The hospitality industry that utilizes local resources encourages the growth of various hospitality-related businesses, such as furniture, handicrafts, and others. The hospitality industry chain is then able to involve many economic actors, which can drive not only the local economy but also the national economy.

In today's increasingly competitive business world, companies must be able to develop and create new values or innovations to survive in the competition, among others, by creating value by improving their business processes. Value creation is adding new value to individual or group activities to produce products/services that are faster, more precise, more efficient, higher quality, more responsive, and more flexible.

Facing competition the progressively fierce business world. companies must also be able to combine various tactics and strategies. Apart from strategy and tactics, one of the factors that can play an integral role in assisting an organization in achieving a competitive advantage is its employees. Employees are a classic and the lifeblood of every business and organization. Hence, to carry out all business operations quickly, it is vital to ensure that employees do every job well, following the organizational goals.

Specifically, the hospitality industry is a crucial part of the tourism industry. The tourism industry will not experience development if it is not supported by the hospitality industry, which can provide comfort for customers. In this case, employees play a crucial role in providing service and satisfaction to customers.

Customer satisfaction is a determining point for the success of the business industry in competition in the hospitality world. Every service in the hotel comes from employees who work in the industry. For the hotel industry, excellent service reflects the combined performance of its employees. In addition, it is challenging for the hospitality industry to motivate employees, stay on the job, and offer efficient and good service that customers expect to achieve the desired performance. For this reason, the aspect that must receive necessary attention company's human resources management. The company's performance is also always related to the performance of the human resources within it since the company's performance comes from the performance of employees who have performed tasks as desired by the company.

regard, In this personalized marketing is a **CRM** (Customer Relationship Management) strategy based on the customer's characteristics, which are the measuring point for brand interaction with customers. The goal is to increase customer loyalty which will affect sales. Principally, the concept personalized marketing itself is not new, as it has mainly been conducted in practice one-to-one marketing services. Moreover, the three dimensions of customer and competitor orientation include customization. basic market and orientation, competitive benchmarking. Therefore, customization is one of the characteristics of competition. Then, mass customization is the ability to provide mass-scale products individually designed and communicated to meet each customer's needs (Kotler and Armstrong, 2002).

Currently, a new era has emerged called mass customization, which makes a product more varied (wide variety) at a low price. According to Laudon (2010), mass customization is the ability to offer

individually customized products or services using the same production resources, such as mass production. Mass customization can also adapt products quickly for customers and niche markets, and production efficiency from mass production and production time is faster. Using the same principle, mass customization is a build-to-order, where products are customized but also can be mass-produced (Chairia, 2012).

On the other side, the ability to respond to the market dramatically affects the quality of the company's marketing activities. A customer-oriented company realizes network partners are the driving factor for the company, so it needs to improve various marketing innovations, both in the form improving product and service quality, aimed at the satisfaction of network partners. Many companies have accepted customer requests and adapted company policies to the customers' needs, so they do not switch to competitors (Anderson and Grønhaug, 2010). Companies with good customer responsiveness are also genuinely concerned with developing network partners, so companies try to improve the quality of products and services so that the company's various outputs are better than competitors. These various marketing activities are intended for customer orientation, i.e., how network partners get satisfaction with the company's products and services (Stewart et al., 2012). In addition, relationship-oriented companies seek to competence service professionally as a form of concern for customers.

RESEARCH METHOD

In this study, the authors used a type of field research that is quantitative in nature, which is a process of finding knowledge using data in the form of numbers as a tool to find information about what they want to know. This research was conducted in hotels in North Sumatra Province, which had been

established for more than three years, and the number of samples taken was 180 hotels.

In this study, the data collection method employed was the questionnaire method. The questionnaire was used to determine how much influence compensation, education and training, and self-efficacy had on employee performance. Data analysis was done to simplify the data to make it easier to interpret. The analytical technique to process and discuss data and test hypotheses was SEM 23.

RESULTS AND DISCUSSION

The analysis results, in general, supported the hypothesis, stating that this research model fit the data. The chi-square statistical index was used to compare the predicted covariance matrix with the matrix. observed covariance insignificant chi-square value indicates a good fit. The model feasibility study results showed that the chi-square value was relatively small (X2 = 138.760 with a df of 127). The probability value was 0.224, far above the recommended 0.05, and the CMIN/df value was 1.093, less than 2.0.

Then, the statistical index for the feasibility of the Root Mean Square Error Approximation (RMSEA) model related to the random error prediction value of the RMSEA value was 0.021, generated by the model, smaller than the limit number of 0.08. It demonstrates that the model prediction error was small. The next model's feasibility index was the incremental fit index, including the normed fit index (NFI), Tucker Lewis Index (TLI), and the Comparative Index (CFI).

All three are index numbers that do not depend much on the sample size. The analysis revealed that the three measures' index values were above 0.90. Finally, the feasibility index to measure the model simplicity was indicated by the value of the parsimony ratio (PRATIO). A small PRATIO value, for example, 0.255 for this model, suggests that the proposed model was simple and good. The model feasibility

test index is briefly presented in Figure 1.1.

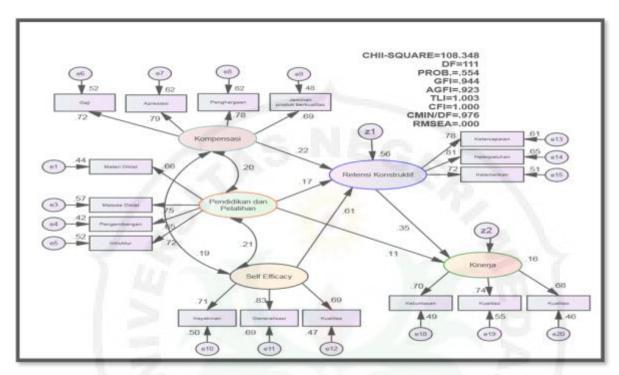


Figure 1.1 Results of SEM Calculations

Table 4.1 Feasibility Index of Structural/Path Models

Description	Chi- square	Proba bility	GFI	AGFI	CFI	TLI	CMIN/DF	RMSEA
Cut off value	152.405 (α=0.05: DF= 42)	≥ 0.05	≥ 0.90	≥ 0.90	≥ 0.95	≥ 0.95	≤ 2.00	≤ 0.08
Analysis result	167.608 DF=145	0.088	0.922	0.898	0.979	0.982	1.163	0.029
Conclusion	Fit	Fit	Fit	Fit	Fit	Fit	Fit	Fit

Source: Results of primary data processing, 2022

Analysis Squared Multiple Correlation

The analysis of the ability to explain the antecedent variables to the consequent variables in this research model can be elucidated through the value of R-square (R²), as presented in Table 4.2.

Table 4.2 Value of Square Multiple Correlation

	Estimate
Constructive	0.285
retention	

Source: Primary data processed, 2022

In this study, the R-square (R²) of the constructive retention variable was 0.285, meaning that the constructive retention ability of sales marketing performance was 28.5%. This figure indicates that constructive retention could explain its impact on the employee performance variable as moderate. Because the influence of constructive retention was significant, the ability to

explain sales marketing performance was moderate.

R-square (R^2) will be more significant if more variables are included. In fact, many variables are relative and difficult to reach limits. Therefore, large or small R^2 does not describe a good or bad model but explains the perfection of a model in explaining the concept built (perfect if $R^2 = 1$). If the built model has not reached $R^2 = 1$, the model built is not perfect.

Hypothesis Conformity Test

Based on hypothesis testing 1, proposing that the higher the compensation, the higher the constructive retention, the results obtained cr = 2.068 and p = 0.028. It aligns with the research results of Gulati et al. (2000), Anand and Khanna (2000), and McEvily and Zaheer (1999) that with companies increasing salaries, appreciation, rewards, and retirement benefits, employee performance could improve.

Hypothesis 2, stating that the higher the education and training, the higher the constructive retention, got the results of cr = 2.471 and p = 0.028. This test's results support the findings of Kale, Dyer, and Singh (2002), Draulans, Deman, and Volberda (2003), and Möller, Rajala, and Svahn (2005), revealing that education and training could improve the company's ability to create constructive retention per the organizational culture.

Hypothesis 3 has proven that the higher the self-efficacy, the higher the constructive retention, with cr = 6.278 and p = ***. Testing this hypothesis confirms that self-efficacy gives advantages to the company since the company can continue increase knowledge to satisfaction to employees. This study reinforces the findings of Cox et al. (2002) and Hines & Rich (1998), asserting that self-efficacy in the organization would be increase the confidence. generalization, and quality of employees

so that the retention rate in the organization becomes good or is constructive for the organization, improving performance.

Hypothesis 4: the higher the education and training, the higher the sales marketing performance, yielded results of cr = 3.097 and p = 0.002. The results of testing this hypothesis provide strong support for the results of previous studies (Ngugi, Johnsen, and Erdelyi, 2010; Berghman, Matthyssens, and Vandenbempt, 2006; Wu and Cavusgil, 2006; Andreu, Sanchez, and Mele, 2010; Nuttavuthisit, 2010; Grissemann Stokburger-Sauer, 2012; Yi and Gong, 2013; Aarikka-Stenroos and Jaakkola, 2012; Hadaya and Cassivi, 2012). It is stated that constructive retention in the form of achievement, interest, compliance the foundation is for accessibility obtain and share to information and knowledge and other resources to create good relations and the ability company's to understand employees' wishes.

Hypothesis 5, i.e., the higher the constructive retention, the higher the sales marketing performance, was accepted. The test results showed constructive retention significantly affected employee performance, with cr = 6.278 and p = 0.12. Related to that, Reichel and Rudnicka unveiled that (2009)constructive retention could improve emplovee performance since the company could increase employee trust and confidence.

Analysis of Direct and Indirect Effects

The analysis results of direct and indirect influence paths provided the primary findings. First, the indirect effect of education and training variables on sales marketing performance through constructive retention of 0.35 was more significant than the direct effect of education and training variables on sales marketing performance of 0.17. Thus, based on manual calculations from the

analysis of direct and indirect effects, it can be concluded that education and training on constructive retention strengthened the effect of education and training on sales marketing performance.

Empirical Findings Regarding Constructive Retention

Based on hypothesis testing, all hypotheses built in this study proved to have a positive and significant effect. The empirical findings also uncovered that the respondents' qualitative answers to the indicators were good, meaning that the indicators used in this study were feasible. The results of this study are consistent with the research results of Drakopoulou Dodd et al. (2006) and Jack (2010). For reason, companies must build constructive retention to improve sales marketing performance. Specifically, hotel service companies, in improving sales marketing performance, must provide compensation, give education training, and improve employee selfefficacy properly.

CONCLUSION

The analysis results of direct and indirect influence paths provided the primary findings. First, the indirect effect of education and training variables on sales marketing performance through constructive retention of 0.35 was more significant than the direct effect of education and training variables on sales marketing performance of 0.17. Thus, based on manual calculations from the analysis of direct and indirect effects, it can be concluded that education and training on constructive retention strengthened the effect of education and training on sales marketing performance. Based on hypothesis testing, all hypotheses built in this study proved to have a positive and significant effect. The empirical findings uncovered that the respondents' qualitative answers to the indicators were good, meaning that the indicators used in this study were feasible.

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