

CHAPTER I

INTRODUCTION

1.1 Background of the Study

If there is one resource in a company that has the ability to think critically, produce brilliant ideas to apply to the plan of the company, and have the skills to solve problems and ideas or innovations to help the company grow, it is the human resources. Human resources, also called human assets, are the people who are working in any company or organization. The department that manages this resource is called Human Resource Department.

While materials, goods and plants are trouble-free for companies to manage, it is not easy for them to control their human resources. This is because everybody has their own beliefs, cultures and ways of thinking. However, in order for the company to continuously grow, it has to start from the people working in it. The human assets need to be, generally, hardworking, have the ability to complete their tasks before the deadline and discipline. Expressed in a different way, they need to perform with utmost productivity.

One of the most efficient ways to improve their performances is by motivating them, as motivation answers the questions that are related to the reasons why humans do certain things or act in a particular way. This means that having the right motivation will bring a lot of benefits towards both the companies and the employees. Moreover, stated in his book, Hamali (2016) stated that “*motivasi merupakan sebuah determinan penting bagi kinerja individual,*” which can be translated to motivation is an important determinant for the employee’s performance.

Developed by the people who continuously support healthy lifestyle, Lesssalt, is one of the pioneers in introducing a no-salt or less-

salt diet in Medan. The company has been in the catering business for more than four years and has expanded to Jakarta, Bandung, Surabaya, Malaysia and Singapore. Being in the food industry means that the company relies on the capabilities of its employees to always perform well. Nonetheless, it is inevitable that there are always a few who do not perform as well as expected or whose performance are gradually declining. In this particular company, according to the CEO himself when interviewed, the common problems are related to discipline, such as not coming on time and being absent too often, which can be seen from their attendance list on Appendix A.

Despite the fact that understanding motivations is as intricate as understanding human itself, the company needs to do it as it cannot afford overlooking the previously mentioned issues because they will affect their business greatly. Realizing the fact that motivation and employee performance are related, by conducting this research, the company is hoped to be able to continue its improvements, especially in the human resource department. Based on the description above, the writer wants to conduct a research with the title **“The Effect of Motivation towards Employee Performance at Lesssalt in Medan.”**

1.2

Problem Limitation

Due to the writer's limitation and knowledge, the research is conducted only on two variables. The first variable is motivation, as the independent variable, which is indicated using the McClelland's Human Motivation theory which states that a person's productivity is influenced by three needs: Need of Achievement (N.Ach), Need of Affiliation (N.Aff) and Need of Power (N.Pow) (Busro, 2018). The second variable is employee performance, as the dependent variable, which is indicated by work results, attitude and personality (Wirawan in Busro 2018).

1.3 Problem Formulation

In accordance with the background of the study, the problem that is formulated in the research is:

Does motivation have an effect towards the employee performance at Lesssalt in Medan?

1.4 Objective of the Research

The objectives of the research that the writer can obtain is to discover the effect of motivation towards employee performance of Lesssalt.

1.5 Benefit of the Research

Benefits of the research according to the objective and problems found during the research are shown below:

1.5.1 Theoretical Benefit

The research is beneficial in providing a more profound understanding about the motivations that affect the performance of employees. Furthermore, it is also useful in providing better comprehension of the relationship between motivation and employee performance of Lesssalt.

1.5.2 Practical Benefit

- a. For the researcher

Conducting this research helps the researcher in having a better grasp about motivation and how it affects employee performance in a company.

- b. For the university

The research aims to become an input to Universitas Pelita Harapan Medan, especially its students who majors in Business Management and specializes in International Business.

c. For other researches

It is hoped that in the future, the result of the study becomes a proper reference for the people who conduct researches which have similar topics.

d. For public

The research has an intention to help the people who are in need of better understanding about motivation and its effect towards employee performance, and to those who are starting a company.

1.6 Systems of Writing

The system of writing in this research is divided into five chapters, which are:

Chapter I : Introduction

The background of the study is discussed in the first chapter. As well as the problem limitation and formulation, the objective and benefit of the research and the system of writing.

Chapter II : Literature Review and Hypothesis Development

This chapter contains theories that are related to the main topic or the problems that are being analyzed. It also contains relevant researches conducted previously by other researchers. The findings will be used to support the research. Moreover, the chapter also includes hypothesis development, research model and framework of thinking.

Chapter III : Research Methodology

In this chapter, the writer describes about research design, population and sample, data collection method, operational variable definition and variable measurement, and data analysis method.

Chapter IV : Data Analysis and Discussion

This is the chapter in which the writer describes about general view of research object, data analysis, and discussion.

Chapter V : Conclusion

In this last chapter, the writer concludes the research that has been done and offer recommendations.

