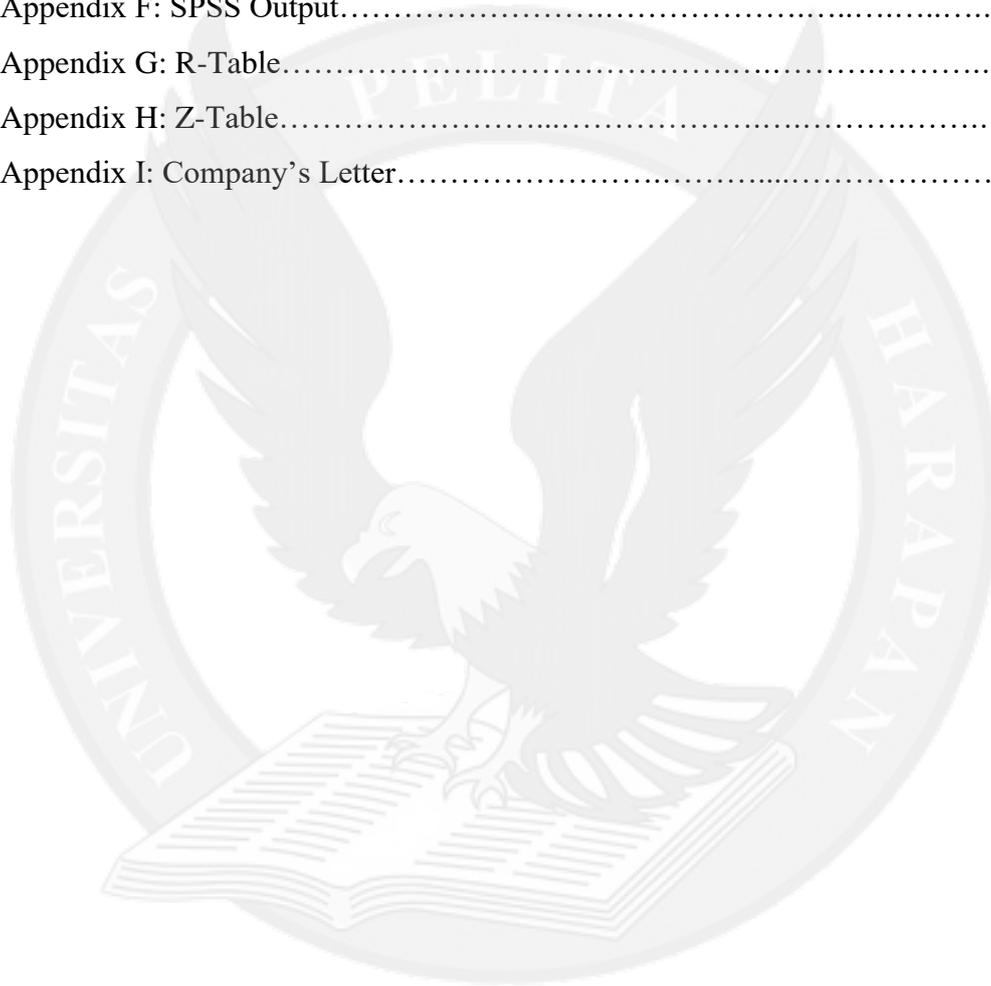


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# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

There are a lot of competitions between one and another company in this modern era. With the emergence of various new companies engaged in various fields will lead to very tight competition, so companies strive to improve their performance of all elements in the company with the aim of achieving the survival of the company. In business world, the existence of human resources in a company plays an important role.

In this case, human resource is trying to work with the capabilities they have to accomplish the desired company performance. A sense of comfort in the working atmosphere and security will help employees to achieve the best performance, and can urge employees to be more delicate in completing their work. Employee motivation is needed to achieve the expected performance of the company.

A work result that are achieved by an employee in carrying out tasks given based on experience, time, and skills are called as employee performance. Performance is the result or level of success of a person as a whole over a period of time in carrying out tasks compared to various possibilities, for example, standard work results, targets or criteria that have been determined in advance and have been mutually agreed upon (Amalia, 2016).

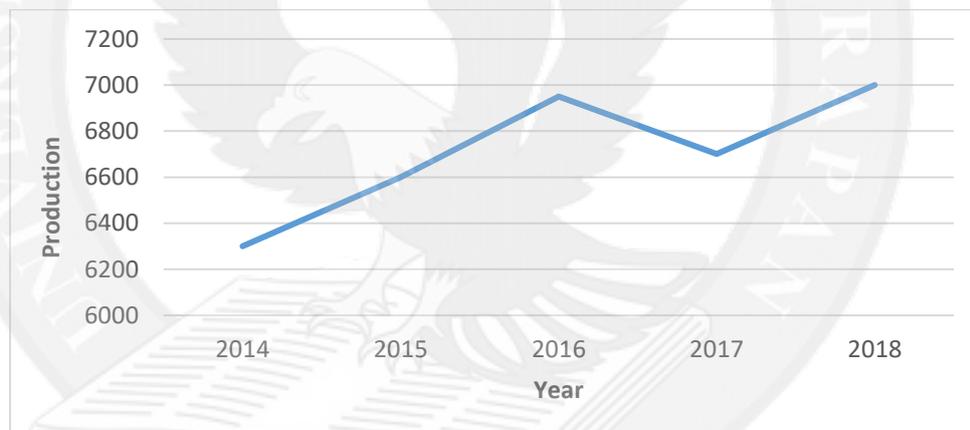
Motivation is a process that explains the direction, intensity, and perseverance of an individual to achieve his goals. In motivation, there are several theories put forward by experts such as Maslow, Herzberg and McGregor, McClelland. Motivation is factor that encourages people to do certain activities, therefore motivation is often interpreted as a driving factor for a person's behavior (Amalia, 2016). Job motivation is a must or most vital driving force in achieving performance. Without motivation, employee will not succeed in completing a job in maximum because there is no willingness that comes from the employee itself.

PT Budi Tamora Permai is a wood working company that are specialized in rubberwood products established in 1993 and currently located in Tanjung Morawa at Jalan Perintis Kemerdekaan No. 88, Sumatera Utara, Indonesia. PT Budi Tamora Permai has established their business with many domestic and foreign companies to develop together on the basic of friendship, mutual benefits, and equality. With products that have high quality standards, eventually they can penetrate the international market. BTP is considered successful in becoming a good performing exporter. The company aims to produce the best possible product with highest possible quality to the customers (PT. Budi Tamora Permai, 2019).

**Table 1.1 Production of PT Budi Tamora Permai (year 2014-2018)**

Year	Production	Percentage of Change
2014	6300 m <sup>3</sup>	-
2015	6600 m <sup>3</sup>	4.7%
2016	6950 m <sup>3</sup>	5.3%
2017	6700 m <sup>3</sup>	-3.5%
2018	7000 m <sup>3</sup>	4.4%

Source: Prepared by the writer (PT Budi Tamora Permai, 2019)



**Figure 1.1 Production of PT Budi Tamora Permai**

Source: Prepared by the writer (PT Budi Tamora Permai, 2019)

Based on Table 1.1 and Figure 1.1 the change percentage in year 2015 is 4.7 percent, in year 2016 is 5.3 percent, which means the employees are doing well so the production keep on increasing, meanwhile, in year 2017 the change percentage is -3.5 percent, means that the production is decreasing in that year, on the other hand, the change percentage is increasing in year 2018 for 4.4 percent. This indicates the fluctuating or unstable employees' productivity in that company. The employees doesn't

meet the production standard that set by the company which is 7500m<sup>3</sup>. Lack of job motivation can be the reason of this inconsistency on productivity or performance over the years.

The writer did preliminary interview with an employee with initial W, said that he is not able to think creatively in the company. Meanwhile, an employee with initial J, stated that he has a lot of works to do but his salary is not in accordance with the job that has been done.

As we can see from the description above, the writer is interested to discover whether it is true that the employee performance is indeed affected by the motivation through the *skripsi* entitled “**The Effect of Job Motivation on Employees’ Performance at PT Budi Tamora Permai Tanjung Morawa**”.

## **1.2 Problem Limitation**

This research will have some limitations, such as sample of the research and the place of research. The first one is sample of the research, which will be taken randomly from PT Budi Tamora Permai employees. The next one is the place of the research, which will be taken only in PT Budi Tamora Permai at Jalan Perintis Kemerdekaan No. 88, Tj. Morawa.

There are two indicators of job motivation, as independent variable, which are intrinsic and extrinsic motivation (Setiana, 2015). On the other hand, there are five indicators of employees’ performance, as dependent variable, such as quality, quantity, punctuality, effectiveness, and independence (Sopiah & Sangadji, 2018).

## **1.3 Problem Formulation**

Based on the background of the study, the problem formulations are:

- a. What is the motivation given by the company to employees at PT Budi Tamora Permai Tanjung Morawa?
- b. How well do the employees perform at PT Budi Tamora Permai Tanjung Morawa?

- c. Does job motivation have effect on employees' performance at PT Budi Tamora Permai Tanjung Morawa?

#### **1.4 Objective of the Research**

Based on the problem formulation, the objectives of the research are:

- a. To describe the job motivation that the company gives to the employees at PT Budi Tamora Permai Tanjung Morawa.
- b. To evaluate the employee performance at PT Budi Tamora Permai Tanjung Morawa.
- c. To investigate whether job motivation has effect on employees' performance at PT Budi Tamora Permai Tanjung Morawa.

#### **1.5 Benefit of the Research**

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

The findings of this research can contribute to academic improvement, especially to enhance the theories about job motivation and its effect on employees' performance.

##### **1.5.2 Practical Benefit**

There are three practical benefit of the research as follows:

- a. For the writer

This research is intended to add knowledge and experience in human resource management, especially about job motivation and employees' performance in real-life settings.

- b. For the company

To provide input and recommendations for PT Budi Tamora Permai about to improve employees' performance through job motivation.

- c. For other researchers

This research can be used as references for the researches with the same topic or in the same field.

## 1.6 Systems of Writing

The systematic of writing in this research will be as follows:

- Chapter I : Introduction  
The writer describes about the background of study, problem limitation, problem formulation, objective of the research, benefit of the research, and systems of writing.
- Chapter II : Literature Review and Hypothesis Development  
The writer describes about theoretical background, previous research, hypothesis development, research model, and framework of thinking.
- Chapter III : Research Methodology  
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  
The writer describes about general view of PT Budi Tamora Permai, data analysis, descriptive statistic, result data of quality testing, result of hypothesis testing, and discussion.
- Chapter V : Conclusion  
The writer describes about conclusion, implication, and recommendation.