

CHAPTER I

INTRODUCTION

1.1 Background of Study

As we are in the globalization era, business development and market competition are moving very fast and dynamically. This condition requires every company to be more responsive and proactive in developing each component of the company. Every activity carried out by a company requires various resources, such as capital, material, and machinery. Existing resources will be wasted if it is not managed properly. To manage it, other resource is needed which is human resource. Therefore, company must pay attention in improving the quality and quantity of Human Resources.

Human Resource is very crucial in each company or organization activities. It determines the success or failure of one's organizational. The competitive advantage of an organization is largely determined by the quality of its human resources. Handling human resources must be carried out thoroughly in human resource management system that is strategic, integrated, interrelated and unity.

A good human resource can be seen from the employee performance. Performance is the result of achieving the tasks that have been given and accounted for by an employee. Wirawan, (2015) stated that performance is the output produced by functions or indicators of a job or a profession in a certain time. According to Moehariono (2014), performance is a description of the level of achievement of an activity program or policy in realizing the goals, objectives, vision and mission of the organization as outlined in strategic planning of an organization.

PT Shammah Marmer Indonesia is a company that engaged in marble and granite. The materials are 100% purely imported from Europe, Asia,

and Middle East. Their customers are not only in Tangerang, Jakarta but has reached to almost all over Indonesia and some are overseas. Like the other company, PT Shammah Marmer Indonesia always strives to improve their employee performance by providing training to its employees. Based on the information from its manager, problem that is faced by PT Shammah Marmer Indonesia is that the employee performance is still not optimal. This can be seen from the work result of the employees.

The following is the performance rating for staff (2016-2018):

Table 1.1 *Number of Employees by Performance Rating at PT Shammah Marmer Indonesia*

Performance rating categories	Number of employees (2016)	Number of employees (2017)	Number of employees (2018)
Exceeds Expectations	16	12	28
Meets Expectations	12	32	48
Partially Meets Expectations	32	108	76
Doesn't Meet Expectations	68	36	72

Source: Manager of PT Shammah Marmer Indonesia (2019)

PT Shammah Marmer Indonesia classifies the performance rating in exceeds expectations, meet expectation, partially meets expectations and doesn't meet expectations. Employees were rated based on the completion of task given in specific time (deadline), the result of work and attendance. As we can see from the table above, in 2016, the number of employees that "Doesn't Meet Expectation" is five times higher than the employee that "Meet Expectations". In 2017, the employee who "Doesn't Meet Expectations" is 52.94% lower than the year before. Meanwhile, the number of employees that "Meet Expectations" is increased by 20. In 2018, there is an increase in employee that "Exceeds Expectations" by 42.85%. But there is also an

increase and decrease on employee that “Partially Meet Expectation”, “Doesn’t Meet Expectation” and “Meets Expectations”.

Training is an effort to reduce or eliminate the gap between the results of work from the ability of employees with the results of the work desired by the company. It is necessary to ensure an adequate supply of employees that are technically and socially capable for both departmental and management positions. According to Armstrong (2014), training is the use of systematic and planned instruction activities to promote learning. It involves the use of formal processes to impart knowledge and help people. According to Heathfield (2018), the right employee training at the right time, provides big payoffs for organization, increase productivity, knowledge, loyalty and contribution. By increasing knowledge and skills, employees could improve their work ability. It can become an asset to the company. With all its potential, employees can continue to be trained and developed, so that it can be more efficient and have optimal achievement to reach the company goals. Yohanes, Hendra and Jantje (2016) show that training has a significant effect on employee performance. Regina and Lucky (2015) show that training has an effect on performance.

The following is the amount of training time that has been carried out during the period 2016 to 2018:

Table 1.2 *Number of Training Implementation and the number of employees at PT Shammah Marmer Indonesia*

Year	Training Implementation (per year)	Number of Employees
2016	25	94
2017	32	152
2018	28	197

Source: Manager of PT Shammah Marmer Indonesia (2019)

PT Shammah Marmer Indonesia requires that every training that is given to the employees is based on priority scale and what is really needed

and useful for the implementation of the work of the employees. Some training programs that have been carried out by PT Shammah Marmer Indonesia including Skill and Creativity Training, Cross Functional Training, Team Training, Language Training, Information System Training, Technology Training and other trainings that are adjusted to the needs of employees.

Basically, training is a continuous process and not just a momentary process, especially when the development of technology is rapidly developing today. The role of training is very important to encourage employee to be more creative in achieving company goals effectively and efficiently. While in general the purpose of training is to improve the effectiveness and efficiency in implementing and achieving the goals that have been set by the company.

Based on the background of study, the researcher is interested in conducting research with the title “The Effect of Training towards Employee Performance in PT Shammah Marmer Indonesia”.

1.2 Problem Limitation

There are several things that need to be limited in order to be more focused, directed, and in-depth so that the research objectives will be achieved. The limitations are as follows:

1. The research object only focuses on the independent variable (X) and dependent variable (Y) which is training and employee performance.
2. The unit analysis and research are conducted in PT Shammah Marmer Indonesia that is located in Komplek Harco Mangga Dua Plaza Blok G No. 28 (Agung Sedayu) Jakarta.
3. The analyzing data tools that will be used in this research is using Simple Linear Regression and SPSS Windows version 2.1.

1.3 Problem Formulation

Based on the description of the background of the study, the problems will be discussed in this study are:

1. How is the training condition conducted at PT Shammah Marmer Indonesia?
2. How is the Employee Performance condition at PT Shammah Marmer Indonesia?
3. How much is the effect of training on employee performance at PT Shammah Marmer Indonesia?

1.4 Objective of the Research

1. To find out the training condition that is conducted at PT Shammah Marmer Indonesia.
2. To analyze the employee performance condition at PT Shammah Marmer Indonesia.
3. To assess the effect of training towards employee performance at PT Shammah Marmer Indonesia.

1.5 Benefit of the Research

The benefits that can be obtained from this research are:

1.5.1 Theoretical Benefit

For the development of management especially in Human Resource Management (HRM) and identify the effect of training towards the employee performance.

1.5.2 Practical Benefit

For PT Shammah Marmer Indonesia to increase the employee performance and as a reference for further research.

1.6 System of Writing

The writing systematics is made to simplify the preparation of this study, it is necessary to determine the systematics of good writing. Systematics of writing are as follows:

CHAPTER I INTRODUCTION

In this chapter describes background of study, problem limitation, problem formulation, research focus, research objectives, benefit of the research and systems of writing.

CHAPTER II LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Contains theories that are used in research and design

CHAPTER III RESEARCH METHODOLOGY

In this chapter the author proposes the method of research carried out in the design and implementation.

CHAPTER IV DATA ANALYSIS AND DISCUSSION

In this chapter shows the result of data analysis that has been conducted.

CHAPTER V CONCLUSION

Contains conclusions and suggestions from all the research that has been done.