

CHAPTER I

INTRODUCTION

1.1. BACKGROUND OF STUDY

Nowadays, in an organization or company, a good management is needed because management is a tool to achieve the desired goals. Good and correct management will facilitate the realization of organizational goals. In order for organizations to materialize as expected, each organization must have effective and efficient management regulations that are able to provide benefits to the organization or company. Therefore, every organization must be able to manage and manage its employees so that they want to work with a sense of responsibility and without coercion in carrying out their duties.

Human resources are people who design, oversee quality, market products to allocate financial resources. Good resources are expected to lead to good performance in accordance with the wishes and expectations of agencies. Basically, superior not only expect employees who are capable, capable and skilled, the most important is that they are willing to work hard and want to achieve good work results. The ability, skills and skills of employees are meaningless to the superior if they do not want to work hard to use their abilities, and skills.

Employee performance is defined as the ability of employees to do certain skills. Employee employee performance is very necessary, because with this employee's performance it will be known how far the employee's ability to carry out the tasks given. Performance is a very important factor in increasing competitiveness. Only people who have high competitiveness will still exist in this competitive era. These people must be able to manage all the potential that exists.

PT. Mitra Laut Bahari is a family business that is established, and developed by Yulius who is the owner of the company. The company now is running at the first generation. PT. Mitra Laut Bahari is a company engaged in the export of fish and services. Besides fishery and fish export, PT. Mitra Laut Bahari also have other businesses that are still related to exports, namely export services abroad. They serve export of various kinds of vegetables such as potato, sweet potato, soursop, avocado and lemongrass leaves. Communication play big role in day to day operation at PT. Mitra Laut Bahari. To improve services of the company employee performance should be excellent. The problem currently faced by PT. Mitra Laut Bahari is the employee performance problem. Based on the results of a short interview in the HR section of PT Mitra Laut Bahari, that the main phenomenon regarding communication is that there is still a miscommunication among employees and superior.

Table 1.1 Employee Performance Year 2018

Performance Level	Year 2018							
	Jan-Mar		Apr-Jun		Jul-Sep		Oct-Dec	
	N	%	N	%	N	%	N	%
Good	44	66.67%	42	64.61%	36	54.55%	39	59.09%
Enough	15	22.72%	15	23.08%	19	28.78%	17	25.76%
Bad	7	10.61%	8	12.31%	11	16.67%	10	15.15%
Total	66	100%	65	100%	66	100%	66	100%

Source : PT. Mitra Laut Bahari(2019)

Based on the table above, it can be seen that the good performance level of 2018 employees is declining from 66.67% to 59.09% of the total employee by the end of 2018, while the number of employees who scored bad performance level is increasing from 10.61% to 15.15% of the total employee by the end of 2018.

Communication is one activities that is very important for human life. The importance of communication cannot be denied as well as in a company. Communication is a process that cannot be avoided by every member in the company. Communication is important for a company because communication is the main tool for company employees to be able to work together in conducting management activities, to achieve the company's goals that have been set.

Femi, F(2014) in journal entitled "The Impact of Communication on Workers' Performance in Selected Organisations in Lagos State, Nigeria" discover that the study has been able to reveal that effective communication creates mutual understanding between management and workers which helps in building genuine relationship among both parties in the organizations. Also, this study reveals that poor communication can affect workers performance. Therefore, organizations should regularly articulate it policies, goals and objectives to it workers in other to improve work performance.

Based on this background study, then the writer is interested to conduct the research with title as follows **“The Effect of Communication to Employee Performance at PT. Mitra Laut Bahari”**

1.2. PROBLEM LIMITATION

With the limited knowledge, time, budget and ability possessed by the writer in conducting research on communication as independent variables (X) and employee performance as the dependent variable (Y). The unit analysis is PT. Mitra Laut Bahari, at Tanjungbalai, North Sumatera. The writer use simple linear regression in this research as the data analysis tool.

1.3. PROBLEM FORMULATION

The following are the research questions in this final report :

- a. How is the communication at PT. Mitra Laut Bahari ?
- b. How is the employee performance at PT. Mitra Laut Bahari?
- c. Is there any effect of communication to employee performance at PT. Mitra Laut Bahari?

1.4. OBJECTIVES OF RESEARCH

The following are the research objective in this final report :

- a. To know and analyze the communication at PT. Mitra Laut Bahari
- b. To know and analyze the employee performance at PT. Mitra Laut Bahari
- c. To know and analyze the effect of communication to employee performance at PT. Mitra Laut Bahari

1.5. BENEFIT OF THE RESEARCH

1.5.1 THEORETICAL BENEFIT

The result from this research can be used to expand knowledge and contribute to management academic area and also entrepreneurs, especially in management HRM (Human Resource Management) regarding communication and employee performance

1.5.2 PRACTICAL BENEFIT

For the writer, the writer will know more about the communication and employee performance relationship. In the future, hopefully the writer implement the best solution to solve the writer's family business problem especially in communication and employee performance problem.

For the company, the writer hope by this research, the company can be educated and may rise the company operational effectiveness by

evaluate the best plan to enhance company's communication effectivity.

For other researcher, the writer hope the result of this research may help to support the other researcher's theory and can be an example to start a new research.

1.6 SYSTEM OF WRITING

Chapter I	INTRODUCTION This chapter explains about the background of the study, problem limitation, problem formulation, objective of research, benefit of research, and system of writing
Chapter II	LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT This chapter elaborates the theories of entrepreneurship, family business, communication, employee performance, and the relation between communication and employee performance
Chapter III	RESEARCH METHODOLOGY This chapter is the method and way used in conducting the research. The writer will present research design, research object, data collection method and data analysis method.
Chapter IV	DATA ANALYSIS AND DISCUSSION This research is analysis of data from the company. This chapter consists of general view of research object, data analysis and discussion.
Chapter V	CONCLUSION This chapter is conclusion of this research. The writer will present conclusion after conducting the research, implication of this research and recommendation for the company.