

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Organization's performance is based on employees. The cooperation between employees cannot be replaced by anything else in order to operate easily and without interruption. It is important for the employees of an organization, but also maintaining healthy and professional contact with their colleagues, to have a good relation with the top management.

Even in the current highly competitive environment, all organizations want to be successful. Companies thus strive to motivate their best employees irrespective of size and market, recognizing the important role and impact that their company plays. Companies should build strong and positive relationships with their staff in order to encourage performance and direct them to tasks. To achieve their objectives, companies are developing strategies that compete and enhance their performance in highly competitive markets. However, only a few organizations see human capital as their main asset, which can lead to success or decrease if not properly managed. It implies that the organization cannot achieve success if employees are not satisfied with their jobs and are not motivated to meet their tasks and goals.

Motivation and job satisfaction are key factors for organizational performance. Motivation and job satisfaction influence employees to ensure maximum use of their efforts to achieve organizational goals. Motivation is a

psychological element which affects a person to achieve a desired goal. The key factor in recent times remains efforts to create motivated and satisfied workers in order to improve productivity (Rahman et al, 2019).

Motivation is one of the most important and most supervisors in the field of psychology who want the highest output and production. The supervisor has a better technology and good motivation for his employees. Motivation is an operational tool which motivates the workforce in the form of administration. Motivation is the difficult competencies that keep and keep people in their organization to continue to work. The enthusiasm for exercising enormous levels of energy in order to achieve organizational goals by endeavors. Furthermore, management can only motivate its employees to work towards the achievement of organizational objectives (Ali et al, 2016).

PT. Sinar Baru Plastik, which is located on Jalan Gagak Hitam (ringroad), Gang Buntu No. 6 Medan - North Sumatera, is a company engaged in the field of plastic production. The company was founded by Mr. Jioe Tek Chuan in 1993 and sells all plastic products with two main products, namely plastic baskets and plastic bags. In 2014, his son Mr. Richard take over the company and became the leader of this company.

Based on the writer's observations at this company, several phenomena related to employee performance problems are the work environment that is felt to be less safe and comfortable for employees because they have to operate machines that are directly related to heat. In addition, it was found that the work motivation

of employees in this company is quite low, where they only work to make ends meet which always demands a raise in salary from the company.

The company has more than 50 employees, where employees who work there are estimated to be majority of high school education. This is because the work at PT. Sinar Baru Plastik does not require employees with a high level of education, because a machine operates the work. With a minimal level of education, employees usually only work according to company regulations and their main work motivation is to get high salaries to fulfill the needs of daily life. This causes their innovation and work initiatives tend to be low.

From the observations and interviews of researchers with HRD at PT. Sinar Baru Plastik, it can be said that the work performance of the employees of PT. Sinar Baru Plastik is currently still low. The following points indicate that the quality of work of employees is still not good, including:

- a. There are still many employees delay in completing a report.
- b. Lack of awareness of employee responsibilities such as filling out employee reports that are not appropriate.
- c. Lack of work discipline is that there are still employees who are not at work at work. For example, chatting with colleagues, chatting on the phone during work hours or just relaxing, also often employees who appear to be present are not on time.
- d. Lack of initiative from employees such as lack of employee initiative to complete tasks and responsibilities faster in each section, causing delays in a given job, even there are still employees who do nothing if not told by superiors.

In evaluating employee performance, companies must choose their own performance appraisal standards, so that employee performance appraisal in the company can be carried out as objectively as possible. From the standard performance appraisal of PT. Sinar Baru Plastik, the recapitulation of annual performance for the period of 2015 to 2018 is obtained as follows:

Table 1.1 Employee's Tardiness of PT. Sinar Baru Plastik

No.	Year	Employee's Tardiness	% Change
1.	2015	23	-
2.	2016	26	13.04 %
3.	2017	31	19.23 %
4.	2018	39	25.81 %
5.	2019	40	2.56 %
6.	2020	42	5.00 %

Source: PT Sinar Baru Plastik, Medan (2021)



Figure 1.1 The Graph of Employee's Tardiness at PT. Sinar Baru Plastik

Source: PT Sinar Baru Plastik, Medan (2021)

Based on Table 1.1 and Figure 1.1, it shows the result of the recapitulation of employee tardiness for the last 6 (six) years starting from 2015 to 2020. It shows

the performance of employees of PT. Sinar Baru Plastik has decreased from 2015 to 2020 because there is an increasing number of employee's tardiness. The decrease in performance indicates a problem in employee's itself that causes a decrease in employee performance. Through interviews with the head of HRD PT. Sinar Baru Plastik, it was revealed that this result was not in line with the company's expectations when it found out that employee performance was decreasing every year.

Based on the explanation on the background above, the writer wants to analyze the influence of job motivation at PT. Sinar Baru Plastik on employee performance and write it in this skripsi entitled **“The Influence of Job Motivation on Employee Performance at PT Sinar Baru Plastik, Medan”**.

1.2 Problem Limitation

From the observations and interviews of researchers with HRD at PT. Sinar Baru Plastik, it can be concluded that the work performance of the employees of PT. Sinar Baru Plastik is currently still low. Through interviews with the head of HRD PT. Sinar Baru Plastik, it was revealed that the result of employee performance was not in line with the company's expectations when it found out that employee performance was decreasing every year.

Some factors such as job satisfaction, salary, working environment, working management, etc. can influence employee's performance. One of them that contribute to this issue is employee's tardiness. It shows the performance of employees of PT. Sinar Baru Plastik has decreased from 2015 to 2020 because there

in an increasing number of employee's tardiness. The decrease in performance indicates a problem in employee's self that causes a decrease in employee performance.

In order for research conducted more focused, easily in collecting, and processing data, the scope of research is limited as follows. There are so many companies in Medan. This study is only limited to one plastic company in Medan, that is PT. Sinar Baru Plastik which located on Jalan Gagak Hitam (Ringroad), Gang Buntu No. 6, Medan City - North Sumatera.

The independent variable used in this research is job motivation with 3 indicators based on Yasri (2016), they are: need for achievement, need for power, and need for affiliation. The dependent variable is employee performance with 5 indicators based on Kotler and Keller (2016), they are: quality, need for supervision, cost efficiency, discipline, timeliness.

1.3 Problem Formulation

Based on the background of the study above, the problem formulation in this research are as follows:

- a. How is the job motivation at PT. Sinar Baru Plastik, Medan?
- b. How is the employee performance at PT. Sinar Baru Plastik, Medan?
- c. Does job motivation have influence on employee performance at PT. Sinar Baru Plastik, Medan?

1.4 Research Objective

The research objective are as follows:

- a. To assess job motivation at PT. Sinar Baru Plastik, Medan.
- b. To evaluate the employee performance at PT. Sinar Baru Plastik, Medan.
- c. To discover whether job motivation has influence on employee performance at PT. Sinar Baru Plastik, Medan.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

The results of this study will be useful in theory to strengthen management and marketing theory, especially about the influence of job motivation on employee performance in a company.

1.5.2 Practical Benefit

The practical benefits expected from this research are as follows:

- a. For the writer

This research can provide an overview and knowledge about management and marketing, especially about the influence of job motivation on employee performance in a company.

- b. For the company

This research is expected to be used as a suggestion to give more attention about the factors of job motivation in order to increase the level of employee performance.

c. For the other researchers

The results of this study should be used in future as a source of reference for related research.

