

CHAPTER I

INTRODUCTION

1.1 Background of the Study

To keep the viability of a business organization, the company is obliged to have an advantage and be able to compete in a globalized world. The advantage can be derived from the factors of production in the form of materials, machinery, human resources, capital and others.

The conditions of today's business world has evolved into a better, more complex, more competitive employee competency and moving quickly and more difficult to predict. One of anticipation is the development of human resources who are more skilled and qualified.

Human resource management practices are associated with the individual performance through their influences on employee attitude and behavior and employee perceptions of human resource management. The employees develop the intentions of management adopting particular human resource management practices have consequences for their individual attitudes and behaviors, and ultimately, unit performance.

Job performance has an effect on organizational performance. Therefore, every organization wants its employees to perform well. Performance is the overall result or success level of a person for a certain period in doing the tasks compared with various possibilities, such as work standardization, the target or the aim, or the criteria that have been determined earlier and agreed together. The

performance management supports the comprehensive objectives of the organization by linking the work of every employee and manager in the overall mission of the work unit. How well the supervisors manage the subordinate's performance will affect the performance of the organization.

The human resources in a company should have good performance such as being innovative and creative in order to eminently achieve company's objectives. If the human resources do not have high performance, it is difficult for the company to accomplish their objectives, not even with the help of continuing development of information and technology. Therefore, human resources in the company should be managed professionally in order to increase work quality of the company.

Suparyadi (2015) explained that job performance is a central problem in organization life because an organization or a company will be able to achieve its objectives or not, it is very depended on how good the performance of the employees.

Job performance can be influenced by a lot of factors. One of the factors is employee competency. According to Suparyadi (2015, p.242):

“Kompetensi merupakan salah satu faktor yang membedakan antara seseorang yang mampu menunjukkan kinerja unggul dengan seseorang yang tidak mampu menunjukkan kinerja unggul.”

It can be translated that competency is one of some factors that can distinguish a person who is able to show excellent performance with a person who is disabled to show excellent performance.

A person who has a competency in a job tends to stick to the job, and

perform well. Competency is a basic characteristic of a person consisting of knowledge, skills, and attitudes that are related to one's performance. Competency is the ability of an individual to do a job properly. A competency is a set of defined behaviors that provide a structured guide enabling the identification, evaluation and development of the behaviors in individual employees.

Competencies also can be defined as an underlying characteristic of a person that could be a motive, trait, skill, aspect of one's self-image, social role, or a body of knowledge which they use.

Competency is also used as a more general description of the requirements of human beings in organizations and communities. Competency is sometimes thought of as being shown in action in a situation and context that might be different the next time a person has to act. In emergencies, competent people may react to a situation following behaviors they have previously found to succeed. To be competent a person would need to be able to interpret the situation in the context and to have a repertoire of possible actions to take and have trained in the possible actions in the repertoire, if this is relevant. Regardless of training, competency would grow through experience and the extent of an individual to learn and adapt.

Employee competencies are those traits, skills or attributes that employees need to perform their jobs most effectively. Clearly, these competencies will vary by job and position, but there are some commonalities that apply to just about any job in just about any organization. Companies can hire employees with basic foundational competencies and then teach more specific competencies directly related to the employees' job descriptions.

CV. Emax Paint is a paint producer that was established by Mr. Hasan Kosasi in 2010. CV. Emax Paint started their business as a small home industry at first. CV. Emax Paint is a factory that produces paint as their main product with the brand “Emax Paint”. The company has more than 40 employees. The Product is marketed in some cities such as Medan, Lubuk Pakam, Pekanbaru, and some towns in Nanggroe Aceh Darussalam.

By doing preliminary research, the writer gets information from the manager that the performance of the employees was decreased starting from the second semester of 2020 until presently. It can be seen from the target achievement of the company that never achieved the target each month.

Table 1.1 Sales Achievement of CV. Emax Paint on July 2020 – December 2020

Month	Sales Target (Rp)	Sales Achievement (Rp)	Achievement Percentage
July	1,350,000,000	1,145,364,398	84.84%
August	1,350,000,000	874,689,217	64.79%
September	1,350,000,000	923,142,369	68.38%
October	1,350,000,000	1,088,264,772	80.61%
November	1,350,000,000	1,163,985,207	86.22%
December	1,350,000,000	974,420,364	72.18%

Source: CV. Emax Paint (2021)

Not only that, some employees in the company also do not have good cooperation. Some employees often come late to the office and have low attendance level every month. There are a number of employees who always come late or go home earlier than the working hours. It shows that some employees do not have good timeliness. All of the problems happened in the company are related to the job performance indicator based on the theory of Edison et al. (2016): target, quality, finishing time, and principles obedience.

On the other side, the writer also gets information related with the employee competency. There are some employees do not have experience which are suitable with their job field. There are some employees often make mistakes although the senior had already taught them. Then some of them donot keep learning to give better contribution for the company. The writer alsogets information that there are some employees who have bad characteristicsuch as bad temperament and selfish. Then, they also have low motivation to achieve better work result. These phenomena show indication of problems about employee competency in this company.

Based on description above, the writer decided to conduct a research with title **“The Influence of Employee Competency on Job Performance at CV. Emax Paint”**.

1.2 PROBLEM LIMITATION

The writer makes a limitation in this research to be more specific in achieving the research objective. The research is focused only on the employee competency (as independent variable) and job performance (as dependent variable) at CV. Emax Paint. (which is located at *Jalan Percut Sampali No. 327*, North Sumatra). The research uses quantitative method. For analyzing the influence of employee competency on job performance at CV. Emax Paint, this research uses the simple linear regression analysis which is done by using SPSS version 23.0.

1.3 PROBLEM FORMULATION

Based on the background study above, the writer can take problem identification as follows:

1. How is the employee competency at CV. Emax Paint?
2. How is the employee job performance at CV. Emax Paint?
3. Does employee competency have influence on job performance at CV. Emax Paint?

1.4 OBJECTIVE OF THE RESEARCH

The purposes in doing this research are as follows:

1. To figure out about the employee competency at CV. Emax Paint.
2. To figure out about the employee job performance at CV. Emax Paint
3. To analyze whether there is influence of employee competency on job performance at CV. Emax Paint.

1.5 BENEFIT OF THE RESEARCH

The benefits from conducting this research are as follows:

1.5.1 Theoretical Benefit

1. This research will be a reference to get more knowledge about employee competency and job performance.
2. This research will be a reference for next research with similar topic.

1.5.2 Practical Benefit

1. This research will be a valuable input for the company in improving the job performance through competency improvement.
2. This research will give a good experience for the writer as researcher in conducting the research.

1.6 SYSTEMS OF WRITING

The systems of writing in this *skripsi* will be as follows:

Chapter I : Introduction

In this chapter, the writer describes about the background of the study, problem limitation, problem formulation, objective of the research, benefit of research and systems of writing.

Chapter II : Literature Review and Hypothesis Development

In this chapter, the writer describes some theories that are related to the topic of the study, such as entrepreneurship, employee competency and job performance. The writer presents previous research, develops hypothesis, makes research model and framework of thinking.

Chapter III : Research Methodology

In this chapter, the writer explains the 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 chapter consists of general view of research object, data analysis and discussion.

Chapter V : Conclusion

This chapter contains the conclusion, the implication and recommendation of this research.

