

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Rapid economic development requires companies to have qualified human resources, which will be the strength for a company to survive. The ease caused by technological advances also causes many new competitors to enter the business. Companies that are ready to compete in the business world must have effective and efficient management in improving and supporting employee work performance. The success of a company is not only towards the superior technology, facilities and infrastructure, but also must be supported by qualified and competent human resources factors in implementing and managing company activities (Sutrisno, 2016).

There is no doubt that organizations worldwide are striving for success and outcompeting those in the same industry. In order to do so, organizations have to obtain and utilize their human resources effectively. Organizations need to be aware to face it more realistically in order to keep their human resources up-to-date. In doing so, managers need to pay special attention to all the core functions of human resource management as this plays an important role in different organizational, social and economically related areas among others that are influential to the attainment of the organizational goals and thus organizations could continuously be successful in the market. This study, therefore, goes on to

discuss one of the core functions of human resource which is training, employee performance, and how the earlier affects the latter (Nassazi, 2018).

PT. Adam Dani Lestari is a distribution company established in 1988. They specialized in fast moving consumer goods. PT. Adam Dani Lestari has become a family business since it was established. PT. Adam Dani Lestari has been in business for a long time and in the era of leadership today is the third generation. The entire assets of the company are in the name of each of the first generation children so that each high position of director, general manager, and strategic managers are occupied by family members, simply put it is a family-based company. PT. Adam Dani Lestari specialized in fast moving consumer goods. PT. Adam Dani Lestari allocates exclusive teams to each partner to produce high work performance and optimal results. PT. Adam Dani Lestari warehouse is equipped with a revolutionary system which provides a competitive edge. As a distributor with almost 30 years worth of experience, they attribute their reputation to the lasting client relationships that they have built throughout the years. They have a deep understanding of what the market needs and how to deliver in an efficient manner. A prime example is the relationships they have with major retailers in Medan and multiple leaders in FMCG industry such as Unilever and Frisian Flag and for a few decades now.

Table 1.1
Employee Division PT. Adam Dani Lestari

Division	Total Employee
Logistic	62
Sales	24
HRD	11
Accounting	25
IT	10
Total	132

Sources: PT. Adam Dani Lestari, 2020

In this company, there was a decline in employee performance which resulted in decreased sales of the company. The following is the sales company data, namely:

Table 1.2
Sales Data PT. Adam Dani Lestari Medan
2016-2020

Year	Sales	%
2016	49,767,753,000	-
2017	46,796,540,000	(5.97)
2018	58,695,419,000	25.43
2019	51,369,475,000	(12.48)
2020	46,358,450,000	(9.75)

Sources: PT. Adam Dani Lestari, 2020

Table 1.2 shows the decrease in sales in the year of 2016-2020. The impact of the employee performance that experienced problems resulted in a decline in sales due to the decrease in the level of employee work accuracy in carrying out their work such as not on time in delivering the goods or products to customers. These impacts on some customer feel dissatisfied and sometimes complain to the company regarding this matter. Furthermore making customer purchase less or even not doing orders at all so that it is causing the decrease sales of company.

Moreover, the decline in employee performance can also be seen from some of employees who arrive late for work.

According to Sutrisno (2016,p.203), career development is a basic characteristic of a company that allows it to provide superior performance boost in certain jobs, roles and situations. Mckay (2020), Career development is the process of self-knowledge, exploration, and decision-making that shapes your career. It requires successfully navigating your occupational options to choose and train for jobs that suit your personality, skills, and interests. When someone pays careful attention to their career development, they identify their own strengths and blind spots, and then work hard to improve their skills. It also involved learning about different roles and industries to find a match to their abilities, seeking out opportunities to advance, and maybe even changing careers altogether if they find a more suitable one.

Career self-management refers to the proactive initiatives individuals take throughout the career while realizing ownership of their own development. It has been conceptualized as a dynamic process through which career agents collect information, gather feedback, and identify career goals and opportunities. The discourse describes it as a strategic action, however career self-management can be better understood as a set of co-occurring behaviors which “may be used continuously or sporadically, and in conjunction with one another or independently”. While it may be planned or improvised, this set of behaviors concerns the achievement of one’s desired outcomes and involves the career

investments that people make in positioning, developing human capital, networking (Noe, 2016).

The career development of employees in this company is still not very satisfying. In fact, employees see career development in terms of job promotion that occurs within the company which is still not optimal. Furthermore in terms of the promotion of the position, it will be carried out by the company when there is an employee who resigned then there is a promotion for the resigned employee's position. Even so, the existence of career development within the company is able to encourage employees to achieve work performance. In addition, career development can also be carried out with training and development of employees. In practice, the training carried out in the company is only in the form of giving seminars to several employees chosen by superiors. Development within this company does not exist which reflects the lack of career development for their employees. Employees who are able to have a good career in a organization or company means that the employee is able to show a good performance, but the reality that occurs within this company shows that the employee development exists quite rarely thus making the employee not much experienced in employee development which impacts on low employee performance. Furthermore the employees don't even develop the careers that they had before.

From the description that has been there before, it encourages researcher to discuss in the thesis under the title of "**The Influence of Career Development on Employee Performance at PT. Adam Dani Lestari Medan.**"

1.2 Problem Limitation

Limitation of the problem in this study only discusses the influence of Career Development on Employee Performance at PT. Adam Dani Lestari Medan. This research is also limited based on researcher's knowledge and findings. Furthermore, for now this research is still using all departments however in the future it is better to focus more on certain departments.

According to Sutrisno (2016, p.152), employee performance can be measured by six aspects in which are the key performance indicator for the related company namely job result, job knowledge, initiative, mental quickness, manner, discipline and absence.

According to Sutrisno (2016, p.166-168), there are five things that will affect whether employee's career is good or not. For this reason, the five things must be managed by employees properly if the employee wants to achieve a higher career. The five things are the attitude of superior and co-workers, experience, education, achievement and the fate factors.

1.3 Problem Formulation

The followings are the problem formulation in this research:

1. How is the condition of Career Development at PT. Adam Dani Lestari Medan?
2. How is the Employee Performance at PT. Adam Dani Lestari Medan?
3. Does Career Development influence the Employee Performance at PT. Adam Dani Lestari Medan?

1.4 Objective of the Research

The purpose of the study is:

1. To analyze the Career Development at PT. Adam Dani Lestari Medan.
2. To analyze the Employee Performance at PT. Adam Dani Lestari Medan.
3. To analyze the influence of Career Development towards Employee Performance at PT. Adam Dani Lestari Medan.

1.5 Benefit of Research

1.5.1 Theoretical Benefit

A reference for similar research in the future, especially which concerns about Career Development attention to the level of Employee Performance.

1.5.2 Practical Benefit

Some of the benefits are expected for:

1. Researcher
Help the writer to know the influence of Career Development towards Employee Performance in real life.
2. Reader
Help to improve reader knowledge about how important the influence of the level of Career Development towards their Employee Performance.
3. Company
Help the company to realize and act more aware of the influence of Career Development towards the Employee Performance.