

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

The importance of knowledge and skill in our lives especially in business world are growing especially in 21<sup>st</sup> century. There is no doubt that knowledge and skill is going to play a main part in the future. Every people are trying to be competent in every possible way and the knowledge in the past and present will be their weapon in their job performances. The element of human resources becomes a key factor that an organization must maintain in line with the demands that always faced by the organization to answer any challenges that exist.

Changes must be made to be able to adapt and face the world of global business competition in various parts of the country and the distance between countries is no longer an obstacle in establishing communication relations, in each organization all members in it namely managerial and operational ranks are also responsible for pursuing direction and organizational goals, realizing common desires, hopes and dreams towards an organization that has the best performance. Company leaders carry out business transformation to the root of the problem, namely human resources to have competency that can be relied on according to the standard needs of the organization (Soetrisno & Gilang, 2018, p. 62-63).

According to Malcolm Royer (2019) the capacity to accomplish something correctly and efficiently is characterized as competency.

Competency can exist on both a corporate and individual level. A lack of corporate competency can lead to health and safety issues in the workplace, as well as poor quality. Skills and abilities should ideally be examined on a regular basis, especially if processes or law have changed. Others may require years of training, mentoring, and examinations, as well as degrees, postgraduate routes, and a track record of performance, while others may require years of training, mentorship, and tests. Incompetence refers to a failure to complete a task to a decent standard. The incompetency, such as lack of people skills, communication, training or even laziness, will eventually lead to a poor performances outcome. An employee is regarded competent if they complete a task on time, without faults, and in the manner in which they were instructed. If the employee's final result surpasses the expectations, then they are considered more than capable (Chron, 2021).

Employee performance is critical to the overall success of the company because business owners need employees that can get the job done. The success of any business is directly affected by the performance of the employees within the organization, whether those employees are dealing directly with customers. Businesses that clearly understand the impact of their employees' performance are better able to manage employee output and productivity. Properly managing employee performance helps any business to increase profits and consistently meet sales goals (Leonard, Importance of Employee Performance in Business Organizations, 2019).

Due to Covid-19 pandemic, the world of business went through some extreme changes and unknown possibilities that lead to new challenges throughout the way. The crisis of Human Resources becomes the main part of the problem since it involves employee activities in a company from the trainees until the professionals.

PT Securindo Siddhi Prathama is a company that was specialist in window films that was installed in both cars and buildings. This company was located in Jl. Palang Merah No.15, Medan. The competitor analysis table is shown below.

Brand	Securindo Siddhi Prathama	Besar Kaca Film
<b>Industry</b>	Windows Film	Windows Film
<b>Market Year</b>	2013	2010
<b>Website</b>	Sspindonesia.com	Besarkacafilmedan.com
<b>Consumer Target</b>	Umur 20-30+ yang menginginkan pemasangan kaca film dengan pemasangan yang rapi dan berkualitas	Umur 20+ yang berpendapatan dan menginginkan pemasangan kaca film dimobil atau rumah/took,dll
<b>Competitor type</b>	Pesaing dekat	Pesaing dekat
<b>Differentiator</b>	Harga sangat terjangkau, Waktu Garansi lama, Produk berkualitas, Gratis Penjemputan	Produk Berkualitas, Rapi, Harga Terjangkau
<b>Product</b>	<ul style="list-style-type: none"> <li>• Eclipse</li> <li>• Elastic nano fiber technology</li> </ul>	<ul style="list-style-type: none"> <li>• 3M</li> <li>• Sun gard</li> <li>• Solar Screen</li> <li>• Maximum</li> <li>• Ultimate</li> <li>• HD Auto Film</li> <li>• Sun Mars</li> <li>• Rayben &amp; Sparta</li> </ul>

**Table 1.1 Competitor Analysis**

**Source: PT Securindo Siddhi Prathama Medan (2021)**

The phenomenon that the researcher needed to study is the employee Job performance in which the employee competencies influencing. The table of the performance that was given by the company is as below:

**Table 1.2 Employee Performance 2020-2021**

No.	CRITERIA	2020	2021
1.	Employee Attendance	50%	50%
2.	<i>Sales Target Productivity</i>	100%	110%
3.	<i>Daily Work Performances</i>	50%	70%

Source: PT Securindo Siddhi Prathama Medan (2021)

As the related company of this research, the percentage of each criterion on employee performances from the data above does not give significant changes because of sudden circumstances that are happening since the beginning of 2020 especially in Indonesia. The attendance rate of employees including the freelancers both 2020 and 2021 is 50% because the health protocol obligation that requires them to work from home and not based at the office.

However, the sales target productivity has been raised to 10% due to the policies of Pajak Penjualan Barang Mewah (PPnBM). While the Daily work that was performed by employees including the freelance including the installation of window films in buildings and cars starting to get back to normal or in average because the government allows people to get back to work normally or doing activities outside in a normal way with the very condition of following the health protocol. Based on the interview conducted by the researcher about the employee activities, it shows that the employee job performance has not been maximal.

If estimated by the skill of employees, every level department must have the minimum education degree and there might some employee that could impose their work to the other employee. This phenomenon might become a problem and it is profound that it has influence in the performance as well.

Ashariandi (2017, p. 2) the demand for labor with certain competency standards is increasing. These changes in the business environment have led to recognition of the importance of human resources as a source of competitive advantage for organizations.

Employees will have a clear idea of what is required of them in terms of performance once they have work competencies. It indicates which behaviors that are desired, rewarded, and appreciated. The focus shifted from traditional qualifications or job experiences and on to a demonstrated ability to perform a job, as shown by historical work experience or assessments conducted to identify an individual's abilities connected directly to the job.

Each competency is made up of a combination of knowledge, skills, abilities, and personal attributes (Dillon, n.d.).

Therefore, companies who have high competence are seen as being able to support the improvement of employee performance which will determine the future of the company.

This research was made to help the company or readers to upgrade their employee performances through the employee's competency especially during a sudden big change that become a new challenge to businesses nowadays.

Based on the description above, it is necessary to do the research with the title **“The Influence of Employee Competencies towards Employee Job Performance”**.

### **1.2 Problem Limitation**

The researcher chooses the title in order of limitation in time, a lack of knowledge or sources that could make the researcher may limit the representation of some viewpoints and due to pandemic, the writer choose not to go often directly to the company to observe the employee’s behavior. The data and questionnaire is retrieved directly from the company and some issues as a limited data report of some points for the researcher focuses on the independent variable which is Employee Competencies and the dependent variable is Employee Performance. This research is using a simple random sampling method which make the researcher chooses random people in every department and by using the simple linear regression method on SPSS program.

### **1.3 Problem Formulation**

Based on the background above, the formulation of the problem formulation is:

1. How is the condition of employee competencies PT Securindo Siddhi Prathama Medan?
2. How is the condition of employee job performance PT Securindo Siddhi Prathama Medan?

3. Do the employee competencies influence the employee job performance at PT Securindo Siddhi Prathama Medan?

#### **1.4 Objectives of the Research**

This section presents the general objective and specific objectives of the study. The study objectives are presented as follows:

1. To analyze the condition of employee competencies PT Securindo Siddhi Prathama Medan in general.
2. To observe the condition of employee job performance PT Securindo Siddhi Prathama Medan generally.
3. To analyze the influence of employee competencies towards employee job performance of PT Securindo Siddhi Prathama Medan.

#### **1.5 Benefits of the Research**

Based on the research objectives above, the benefits of this study are:

##### **1.5.1 Theoretical Benefit**

This research is expected to provide additional knowledge in terms of employee competence and how it affects employee performance so that human resources can develop in their field. This research is also expected to develop the ability to think systematically and conceptually.

##### **1.5.2 Practical Benefit**

This research is expected to be able to provide practical uses for students as well for the related company.



1) For the Company

It can be used as input or information about the influence of competencies on employee performance and to evaluate the competencies and employee job performance of PT Securindo Siddhi Prathama Medan.

2) For Readers

The application of knowledge and practical that have been obtained during lectures to solve problems and giving solutions, especially in employee competencies and employee job performance. This research is also expected to be a reference material that can add knowledge, insight about the influence of competencies on employee job performance in a company so that it can be useful for further research or for purposes other than academics.

