

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Increasing competition leads to the company is required to improve competitiveness in order keep the survival of the company. The company is one of the organizations that collects people commonly referred to as the employee or employees to run the activities of household production company. Almost all companies have a goal to maximize profit and value for the company, and also to improve the welfare of owners and employees.

The performance is generally defined as a person's success in perform a job. Employee performance is the result of work accomplished person in carrying out the tasks assigned to achieve the employment targets. Employees can work with good when you have a high performance so that it can produce the work good. Employee performance is one of the critical success factors the company or organization in achieving its goals. For that performance of employees must get the attention of the leadership of the company, because of the declining performance of employees can affect the performance of the company as a whole (Bangun, 2018).

Employees' performance on Bistronomix Medan has decreased as seen from work that cannot be completed on time such as directives from superiors, decreased levels of accuracy in carrying out their duties and responsibilities as well as increased levels of absenteeism and delays in employees so that the impact on work becomes numerous and cannot be completed with quick and precise.

The main idea of culture comes from sharing in learning processes that have been based upon systematic allocation of resources. The cognitive systems of human that helps in improving thinking and decision making were based upon organization culture (Pettigrew 2019). The multifaceted set of beliefs, assumptions and values helps in presenting different level of culture by conducting business at an effective manner. The normative glue based upon organization culture helps in holding overall management effectiveness. The concept of effective organization culture helps in improving business decisions. The survival of culture in an organization lies upon national and foreign culture differentiation in culture management. (Schein, 2019) The culture of organization has been affected by attitudes, norms and beliefs that lead to strong communication between employees.

Organizational culture is a very important thing in building an organizational performance. Culture consists of several artifact combinations (also called practices, expressive symbols, or forms), values and beliefs, and fundamental assumptions that member organizations share about appropriate behavior (Detert et al, 2018). Culture is operationalized as shared values (which are important) that interact with the organizational structure and control system to produce behavioral norms (the way we do things around here). While organizational values can explain the deep structure of organizational culture. Organizational culture Bistronomix Medan is still weak due to still run the vision and mission of the company with precise and better related to consumer satisfaction, the level of delay is also high as well as violations of the employee.

Compensation is one thing that is important in advance company that is everything that is received employees as a substitute for the contribution of the services of employees in the company a place where the employees work. Compensation is divided into two, namely, financial and nonfinancial compensation. Financial compensation consists of, wage/salary, bonus, allowances, and facilities, while the compensation of nonfinancial consisting of training and development and the environment work. Compensation needs to be given to the results of the employee as members of the organization based on their performance in the company. The employees crave performance correlated with compensation obtained from the organization (Simamora, 2019).

In terms of work compensation at Bistronomix Medan is lacking in providing compensation that satisfies its employees. The problem of compensation in this company is the date of receipt of salaries every month which is sometimes irregular as the company sets at the end of the month employees receive salaries while in practice employees sometimes receive salaries on the 1st to 5th, low incentives for marketing staff who do not match sales targets that are high and some employees in some parts still have salaries or wages that do not meet the minimum wage. Some of these problems cause employees to be bored at work and unable to get work performance in the company as seen from the increasing number of absences of employees in the company.

From the description that has been there before, it encourages researchers to discuss in the thesis under the title "**Influence of Organizational Culture and Compensation toward Employee Performance in Bistronomix Medan.**"

1.2 Problem Limitation

Limitation of the problem in this study only discusses the influence Organizational Culture and Compensation toward Employee Performance in Bistronomix Medan.

1.3 Problem Formulation

The problem formulation in this research are:

1. Does the Organizational Culture influence toward Employee Performance in Bistronomix Medan?
2. Does is the Compensation influence toward Employee Performance in Bistronomix Medan?
3. Do Organizational Culture and Compensation influence toward Employee Performance in Bistronomix Medan?

1.4 Objective of the Research

The purpose of the study is

1. To analyze Organizational Culture influence toward Employee Performance in Bistronomix Medan.
2. To analyze Compensation influence toward Employee Performance in Bistronomix Medan
3. To analyze Organizational Culture and Compensation influence toward Employee Performance in Bistronomix Medan.

1.5 Benefit of Research

1.5.1 Theoretical Benefit

Theoretical benefit for:

1. Reader

The help readers understand the influence of Organizational Culture and Compensation on Employee Performance

2. Researcher

To be the reference for other researchers in the future regarding topics related to Organizational Culture and compensation and Employee Performance.

3. Company

Help the company to theory for Organizational Culture, Compensation and Employee Performance.

1.5.2 Practical Benefit

Some of the benefits are expected for:

1. Researcher

Help the writer to know the influence of Organizational Culture and Compensation in towards Employee Performance in the real life.

2. Reader

Help to improve reader knowledge about how important the influence of the level of Organizational Culture and Compensation in towards their Employee Performance.

3. Company

Help the company to aware that Organizational Culture and Compensation influenced the Employee Performance.

