

CHAPTER I

INTRODUCTION

1.1 Background of Study

Recently, many companies are kept coming to compete in these developed countries or developing countries since globalization. Business of a company could be growth was caused by the development of knowledge, and technology in the country. It has given a large influence especially in the economy of the country in the world.

According to Stewart and Brown (2019, p.4), human resources focus on people in organizations. Of course, people are a major component of any organization, so it follows that organizations with more productive employees tend to be more successful. Employee productivity increases when organizations hire and motivate employees effectively. In addition, good human resource practices create more satisfied employees, who in turn work to satisfy customers. In this business world, human resources play an important rule. Business is about thinking an idea to innovate something new or make an improvement on something that already in existence, however the leader must be willing to take risk to see the ideas and concepts materialize. Human resource is the assets for the company to reach its goals

According to Kenton in Investopedia (2020), human resources (HR) is the division of a business that is charged with finding, screening, recruiting, and training job applicants, as well as administering employee-benefit programs. HR

plays a key role in helping companies deal with a fast-changing business environment and a greater demand for quality employees in the 21st century.

Starting a business requires a specific outlook with regards on the company mission and vision. According to Paul Burns (2016), successful entrepreneurs are good at developing relationships with customers, staff, suppliers and all the stakeholders in the business. Entrepreneurs are able to build a long term relationships with their clients or customers as well as being able to manage their employee by developing strong standard operating procedure rather than relying on formal organizational structures and hierarchies. Too much formality might decrease the employee's performance, so the manager must be a good role model starting with behavior. By building trust between manager, supervisor and normal staff, the flexibility between them will increase.

According to Guan and Frenkel (2018), to maintain employee performance to remain consistent, regular training is needed to be carried out for employees to be able to be consistent in maintaining their ability to work to remain within company standards. Training is likely to improve employees' job-related knowledge and abilities. In response to rapidly changing market demands and new technology, training is an important means of updating employees' mindsets and skills to address new work problems that entail more demanding task assignments.

According to Huang (2019), training refers to a planned effort by a company to facilitate employees learning of job-related competencies. It is also defined as a planned and systematic effort to modify or develop knowledge, skills and attitudes through learning experiences to achieve effective performance in an activity or a

range of activities. Training is the major means to be used by organizations to cultivate employee competence to reach the appropriate required levels. It is also an important business strategy for organizations to cope with a variety of forces affecting the workplace. It is stated that training is organized and used by an organization as a business strategy to help employees develop and acquire competence, which includes knowledge, skills, behaviors, and attitudes that are critical for successful job performance. Typically, training can be distinguished by two basic types of locations where it is conducted, off-the-job and on-the-job. Off-the-job training provides learning opportunities on a variety of topics at a site other than where the work is actually done, whereas on-the-job training (OJT) occurs in the work setting itself. With the assistance of modern technology, online training can be realized as well. No matter which sites or ways the training is conducted, the key to effective training is to activate learning to occur.

According to Nawaz in Sendawula (2018), one way to boost an individual's productivity is by training. Employees learn technical skills, interpersonal skills, and strong knowledge through the training phase in order to perform their jobs efficiently and effectively at work, and a lack of continuous training programs contributes to lower employee results.

According to Arslan and Uzaslan, (2017), companies today must operate in an environment that is constantly changing and subject to a variety of constraints. In today's dynamic world, having the best staff with the right skills and experience doing the job correctly is more critical than ever. Due to the rapid changes in technology, training exercises must be ongoing, and modifications, such as moving

workers from one segment to another inside the plant, should be made as required. In this sense, one of the most important aspects of competency-based training is matching the training to the industry's unique needs.

To get a good employee performance, the employees of the company need to be skilful. To have skilful employee, every company needs to make job training. However, having a good leader is not enough to make a business become successful because at the end, the one that matters will be the operation and productivity that are done by employees. Employee role is very crucial in order for the business to run, therefore a company needs to invest on recruiting more talents and train them well, so they will become a valuable human resource.

According to Wahyono et al, (2020), employee performance can be measured through the outputs done in the form of goods or services. In the banking world, the output can be in the form of additional funding or lending customers. Employees who have good performance can produce and achieve the targets set by the company. Another understanding of employee performance can be interpreted as contributions made by employees to the company, including the quality produced, the amount produced, the amount of time given to a company and the level of attendance.

CV. Sukses Makmur Abadi is a family business that was established in 1997, this company is a plastic manufacturing company that specialized in T-shirt bag, HD bag, and PE bag. Some of the brand names of the products are ACCLive, Dua Unta, Dua Lampion, Liliput, etc. Currently right now, the company is led by one of the company managers named Louis. Recently, the employee's performance

in CV. Sukses Makmur Abadi has been decreasing. One of the examples is the increasing in the spoiled products that was caused by the employee. Based on the answer from the manager, this is probably because the employees doesn't have a proper training, this is the data based on the empirical fact and data shown below:

Table 1.1 Weight of Spoiled Product in CV. Sukses Makmur Abadi from July 2020 – March 2021

July 2020 - September 2020	4500 kg
October 2020 - December 2020	7200 kg
January 2021 – March 2021	9000 kg

Source: CV. Sukses Makmur Abadi, Binjai (2021)

From the data above, we can see that the spoiled products from time to time are increasing. The number of spoiled products increased from 4500 to 7200 and reached 9000kg due to incompetent employees in keeping the product from being damaged. The increasing number of spoiled products shows that employees are not trained properly to protect products from damage, and this is not good for the development of the company.

Training that has not been carried out properly has an impact on the performance of employees when carrying out work. The reasons why the writer choose training as the variable is because, without a proper training, the employee of the company would not be able to accomplish their tasks at their full potential. Identifying the right learning opportunities for employees will help the organization in achieving its competitive posture in today's global market. Training is not only to maximize the performance of the employees, but it also help them in becoming more efficient, productive, satisfied, motivated and innovative in the workplace. Through the training program, it is hoped that all of the employee potential can be

increased according to the needs and company desires or at least close to what is expected by the company. The following is data on training activities currently in the company.

Table 1.2
Training Data from CV Sukses Makmur Abadi

Training Type	Conducted Training Schedule	Training Participants	Division	Goal of Training
Production Increase	Once per year	New employee	Production	To increase production capability
Marketing	Once per year	New employee	Marketing	To improve employee marketing skills
Administration Report	Once per year	New employee	Administration	To learn how to make a report

Source: CV. Sukses Makmur Abadi, Binjai (2021)

From the data on the training carried out by the company at this time, the training is only carried out once a year, where training is minimal for employees in the company. In addition, the training carried out is also only given to new employees and does not pay attention to old employees to improve their work skills in carrying out their work so that the training carried out has not been running effectively.

By conducting job training, employees can have the knowledge, abilities, and skills in accordance with the work they do. Companies always need competent personnel in their fields to increase profits and company development. Therefore, employee training and coaching is an important thing to do.

The writer has decided to use CV. Sukses Makmur Abadi, Binjai as the company researched in this paper. Therefore, the title applied by the writer is **“The Influence of Job Training on Employee’s Performance at CV. Sukses Makmur Abadi, Binjai”**.

1.2 Problem Limitation

In order for research conducted more focused and easily in collecting and processing data, the population that the writer uses in this research is the employee in the company. The writer focused on Job training which is on the job training using the indicators according to Mangkunegara in Sudaryo et, al (2018) which are instructor, participants, material, method, purpose and target.

While in the employee's performance, the writer focused on how to measure performance of the employee's using the indicators according to the indicators of theory of Mathis and Jackson in Sudaryo et, al (2018) namely work quality, work quantity, working time, and cooperation.

Population is the whole research object as the source of data with certain characteristic in the research. The population that the writer uses in this research is all the employees in CV. Sukses Makmur Abadi that located at Jl. Utama GG IV Dusun II Desa Puji Mulyo No. 103, Binjai.

1.3 Problem Formulation

Based on the background that has been mentioned above, the problem that can be identified in this research is:

- a. How is the job training at CV. Sukses Makmur Abadi?
- b. How is the employee performance at CV. Sukses Makmur Abadi?
- c. Does job training factor have an influence on employee performance at CV. Sukses Makmur Abadi?

1.4 Objective of Research

The objectives that will be the result through this research are:

- a. To find out job training condition ad CV. Sukses Makmur Abadi.
- b. To find out employee's performance at CV. Sukses Makmur Abadi Binjai.
- c. To conclude whether job training has an influence on employee's performance at CV. Sukses Makmur Abadi

1.5 Benefit of Research

Based on the research objectives stated above, this research is expected to provide benefits to various parties:

1.5.1 Theoretical Benefit

Theoretically, the results of this study are expected to be useful to strengthen the theory in management, especially about the impact of job training to increase employee's performance in a company.

1.5.2 Practical Benefit

The practical benefits that are expected from this research are as follows:

1. For the writer

To expand knowledge on the impact of job training to increase the employee's performance.

2. For the company

To give recommendation to the company to analyze the impact of job training to increase employee's performance.

3. For the future researchers

As a guidance for future writers in doing research on the impact of job training to increase employee's performance or as a source of references for who concerned in conducting related research in the future.

1.6 Systems Of Writing

Systematic writing is an explanation of the contents of each chapter in brief from the whole paper. Systematics writing this paper consists of 5 chapters, as for systematics of writing is as follows:

Chapter 1: Introduction

This chapter contains an overview of the issues raised. It consist of background of the study, problem limitation, problem formulation, objective of the research, significance of the research and system of writing.

Chapter 2: Literature Review

In this chapter, it describes the theories used as the basis for discussing the issues to be studied, including the literature review, research reviews in the past, the theoretical framework and the development of hypothesis.

Chapter 3: Research Methodology

This chapter contains the methods or steps undertaken in the study, which includes research design, research object, population and samples, data collection method, operational variable definition and variable measurement as well as data analysis method.

Chapter 4: Data Analysis and Discussion

This chapter contains the general description of the object of research, data analysis, descriptive statistic, result of data quality testing, result of hypothesis testing and discussion.

Chapter 5: Conclusions and Recommendation

This chapter contains the writer's conclusion, limitations of research and suggestions that need to be submitted for subsequent research subjects.