

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Performance is the real behavior generated by each person as the resulting performance by employees in accordance with its role within the company (Rivai, 2018). One way in which to view the development of the company is by looking at the results of performance appraisal. Means that form the object of the performance appraisal is a skill. The ability of employees to carry out a job or task that is evaluated by using a specific benchmark for objectively and done regularly. From the assessment results can be seen in the company's performance, as reflected by the performance of employees.

Good job performance is one of the objectives of the organization in achieving high productivity. A person's performance is a combination of ability, effort, and opportunity that can be measured from the influence s it produces. Therefore, the performance of not involving personal characteristics exhibited by a person through the work that has been and will be carried out by someone. Performance can be defined as an individual's success in doing his job. To be able to assess the employee's performance in an objective and accurate, employers must be able to measure the performance levels.

PT Multigrafindo Mandiri, Medan is a privately held outdoor advertising company based in Medan, North Sumatra, Indonesia. The range of their products are billboards, banners, and more advertising media. The performance of employees of PT Multigrafindo Mandiri, Medan decline seen from the quality of

work of employees who have decreased noticeably from the level of error in the result of the work of many errors, the result of the work is not completed on time. In addition, the low performance of employees is also evident from the level of the results of the assessment of the performance of employees experienced a lot of value that is not satisfactory.

Table 1.1 Data Employee Performance Appraisal PT Multigrafindo Mandiri, Medan 2019-2021

Grade	2019		2020		2021	
A	5	12%	5	13%	4	11%
B	16	37%	10	26%	13	34%
C	13	30%	15	39%	11	29%
D	9	21%	8	21%	10	26%
Total	43	100%	38	100%	38	100%

Sources: Prepared by the writer (PT Multigrafindo Mandiri, Medan , 2022)

Table 1.1 shows that during the year 2019-2021 employee performance appraisal. In 2021 employees earn A Grade (11%), Grade B (34%), Grade C (29%), and Grade D (26%). This reflects the low performance of employees at this company. In addition, the decline in employee performance can be seen from the number of employee work results that are completed not on time such as the financial division report which is often late.

According to Subha and shakeel (2019), Higher level of stress existed with no managerial concern for solution consequently lowering the employee performance, staking organizational reputation and loss of skilled employees, these situations call for immediate concern from organization management for employing effectively stress management practices to increase employee satisfaction and overall employee performance

Job stress is an emotional condition that occurs as a result of a mismatch between the workload and the ability of the person to cope with the work. Job

stress influence s an employee’s working performance, these stresses might induce anxiety, altering their views and their perspectives on the job, pressuring them, and might even influence their duties and their relationship towards the organization.

The company PT Multigrafindo Mandiri, Medan offers an outdoor or out of home advertising solution to many clients, and they have a numerous number of clients starting from micro-businesses to corporations and even the government. Recently, a problem occurs in the human resource division. The human resources manager in the company has concluded that there is a significant change in the employee turnover as a result of the job stress that led to their poor working performance. The data is as follows:

Table 1.2 Represents the Employees Turnover from year 2019 – 2021

Year	2019	2020	2021
Employee in	2	1	4
Employee out	1	6	4
Existing employees	42	43	43
Total employees	43	38	38
Turnover rate	2.35%	14.81%	14.81%

Sources: Prepared by the writer (PT Multigrafindo Mandiri, Medan , 2022)

Based on Table 1.2 show that the occurrence of employees resigns caused by employees experiencing stress in the implementation of its performance within the company. Job stress is due to a lot of work and the time given in the completion of the work is short so that employees feel difficulties in the process of completion of the work.

Based on the above explanation, the writer decides to conduct research entitled **“Influence of Job Stress towards Employee’s Performance in PT Multigrafindo Mandiri, Medan”**.

1.2 Problem Limitation

To avoid the extension and discussion of issues that are not in line with the discussion, the researcher specifies the problem's limitations, which include:

1. The object of this research is PT Multigrafindo with the number of respondents 38 employees
2. In this research only discusses the Job Stress (X) as the independent variable and Employee's Performance (Y) as the dependent variable.
3. Problems are discussed that are associated with the stress of working at PT Multigrafindo Mandiri, Medan is job stress of employees increased reflected from the number of employees who choose resign from the company.
4. Employee performance decreased with the level of quality of work is low, and the assessment of employee performance is not satisfactory.
5. Questionnaire respondents are limited to 18 – 60 years old and respondents as many as 38 employees.
6. Research conducted starting from January 2022 – April 2022.
7. According to Vasan (2018), the indicators for Job Stress are divided into 5 factors which are as job nature, work relationships, roles and responsibilities, lack of career development and organizational structure and climate
8. According to Desler (2017), to measure employee performance can be used by using several performance appraisal factors are Quality of work, Productivity, knowledge, Availability and Freedom.

1.3 Problem Formulation

Based on the background of the study, the writer formulates several questions, as follows:

1. How is the job stress at PT Multigrafindo Mandiri, Medan?
2. How is the employee's performance at PT Multigrafindo Mandiri, Medan?
3. Does job stress have an influence towards employee's performance at PT Multigrafindo Mandiri, Medan?

1.4 Objective of the Research

Based on the problem identification proposed in previous point, the objective of this research is:

- a. To describe about job stress at PT Multigrafindo Mandiri, Medan.
- b. To explain about employee performance at PT Multigrafindo Mandiri, Medan
- c. To analyze job stress at whether have an influence towards employee performance at PT Multigrafindo Mandiri, Medan.

1.5 Benefit of the Research

The writer expects that this research can give benefits both theoretically and practically.

1.5.1 Theoretical Benefit

The research result can be used to expand, improve and develop the relevant theories especially in the job stress and its influence towards employee performance.

1.5.2 Practical Benefit

The practical benefits on this research are:

a. For the writer

The writer as the researcher to get more experience in doing the research and as an addition to knowledge with regard to job stress and employee performance.

b. For the company

To provide useful suggestion for the company in increasing cus employee performance especially improving the job stress.

c. For other researchers

To be an additional reference, reference material for further research and information to interested parties in assessing the problem the same in the future.

