

CHAPTER I

INTRODUCTION

1.1. Background of the Study

Human resources (employees) are the organization's most valuable asset, serving as the driving force behind all corporate activities. A business's ability to carry out its operations and achieve its objectives requires effective management, particularly of its human resources, as human resources are the primary capital in planning, organizing, directing, and moving the variables that exist inside the business. As a result, it needs a strong drive and ability to develop cadres capable of delivering optimal performance for the firm.

In selecting employees, the company will pay attention to the experience and past performance of employees, both in the form of performance in terms of education and the results of past work performance. According to Dewi et al (2021), the performance appraisal is an evaluation of the actual work that each employee produces in accordance with established quality and quantity requirements. Individual performance appraisals are vitally necessary to ascertain the accomplishments that each employee is capable of.

In forming employees who have good performance, high discipline is needed from employees. According to Hasibuan and Silvya (2019), work discipline is a method that management uses to engage with employees in order to elicit their willingness to modify a behaviour, as well as an effort to raise awareness of and compliance with existing social norms.

In addition to discipline, to get a good work spirit, employees also need to have high work motivation. Motivation is the spirit in carrying out the work that is owned by employees. According to Dhian Gering (2017) motivation is related to effort and encouragement arising from within a person which is done to fulfil all the goals desired by someone to achieve the intended goal.

PT Mahasania is a company engaged in outsourcing by distributing security guards to various companies in need. In distributing workers, the company selects and then provides basic training before distributing it to companies in need. The company distributes employees to partner companies by making work contracts and also monitors the performance of security personnel who are distributed to other companies. In distributing security personnel, even though they received good training and education, the company still received complaints from other companies at the employee distribution site because the employee's performance was considered poor in the following table.

Table 1.1
Complaint Data from Company at PT Mahasania

Years	Number of Employees Assigned	Number of Complaints
2017	932 people	123 complaints
2018	825 people	135 complaints
2019	815 people	153 complaints
2020	752 people	162 complaints
2021	832 people	172 complaints

Source: PT Mahasania Medan, 2022

From the data in table 1.1, it shows that the number of complaints that occur from where employees are distributed is quite high and continues to increase from year to year. From year 2017 to 2021, even though there's declining of employee assigned, the number of complaints is still increasing. The complaints that occur

show that the performance of PT Mahasania in recruiting and selecting security personnel has not been good because there are still employees who complain about their performance that is not in line with expectations. The reasons that the company complained about are in the following table.

Table 1.2
Complaint Problems from Company at PT Mahasania

No	Complaints Problems
1	Employees who are not polite
2	Employees do not follow directions from superiors
3	Employees absent without notice
4	Employees complain about the amount of salary received
5	Employees who do not complete work contracts on time
6	Lack of employee understanding of company work regulations

Source: PT Mahasania Medan, 2022

From the complaints in table 1.2 submitted by partner companies at PT Mahasania, complaints that occur because of employee problems cannot work with good performance when distributed. Employees who are not polite, do not follow directions, and often do not follow the rules are things that partner companies complain about. This shows that the distribution of employees distributed by PT Mahasania has not had a good performance. This is also an indication of employee performance that has not been in line with expectations.

At this time, the work discipline of employees at PT Mahasania is still considered not good. Employees who still often commit violations at work are problems faced by the company. Employees who still often commit work violations show that employees have not been able to carry out discipline properly. With discipline that is not able to be carried out properly, it shows that employees are not able to follow the rules for work. This can still be seen from the number of

violations of regulations committed by employees in carrying out their work in the following table.

Table 1.3
Employee Violation Data at PT Mahasania

Years	Number of Rule Violations	Problems in Violation by Employees
2017	23 times	1. Employees do not perform tasks according to directions 2. Often late for work 3. Not being polite with superiors 4. Conflict with co-workers 5. Not showing up for work without notice 6. Eating in the work room without permission from the manager
2018	25 times	
2019	28 times	
2020	29 times	
2021	32 times	

Source: PT Mahasania Medan, 2022

From the data on regulatory violations in table 1.3, it shows that employees who violate work regulations increase from 2017 to 2021. The increase in regulatory violations committed by employees shows that employees do not have good discipline in carrying out their work.

In the current work motivation of employees, employees tend not to have good work motivation. Employees are less motivated in carrying out their work because they judge that the compensation, they receive from the company is considered less appropriate in improving their welfare at work. The observations also show the low work motivation of employees at PT Mahasania which can be seen from the employees' dissatisfaction with their work, which sometimes has a heavier workload compared to other employees who occupy the same position. In addition, there are also employees who are dissatisfied with the relations between employees that are not well established due to the unfair compensation provided by the company. This indicates that work motivation is also an important contribution in improving employee performance.

Based on the description above, the writer is interested in conducting research

on discipline and motivation and its effect on employee performance and writing it in the form of a final project report entitled "**The Effect of Discipline and Motivation towards Employee Performance at PT Mahasania, Medan**".

1.2. Problem Limitation

The writer of this study will collect data through the manager and employee from PT Mahasania, Medan. The object of research is 45 permanent employees of PT Mahasania, Medan. However, due to the limitation of time, budget, and data access. In this research, the writer will focus only on discipline and motivation and relationship towards employee performance. Problem limitations are discipline and motivation as the independent variable (x) and employee performance as the dependent variable (y).

Indicators of discipline as the independent variables from Hasibuan (2018) goals and abilities, leadership role models, remuneration, justice, *waskat*, sanctions, firmness and human relations, indicators of motivation from Khoerunnisa (2019), namely: spirit at work, passion for work, cooperate, work effectively, achievement of organization goals and Employee performance as the dependent variable with indicators according to Sudiarditha (2018), namely: quality of work, the quantity of work, timeliness, effectiveness, employee cooperation.

1.3. Problem Formulation

Based to the study's background, the following questions must be addressed in this research:

- a. How is the discipline at PT Mahasania, Medan?
- b. How is the motivation at PT Mahasania, Medan?
- c. How is the employee performance at PT Mahasania, Medan?
- d. Does discipline have partial effect on employee performance at PT Mahasania, Medan?
- e. Does motivation have partial effect on employee performance at PT Mahasania, Medan?
- f. Do discipline and motivation have effect on employee performance at PT Mahasania, Medan?

1.4. Objective of the Research

The objective of this research are as follows:

- a. To assess discipline at PT Mahasania, Medan.
- b. To explain motivation at PT Mahasania, Medan.
- c. To evaluate about employee performance at PT Mahasania, Medan.
- d. To examine discipline has partial effect on employee performance at PT Mahasania, Medan.
- e. To examine motivation has partial effect on employee performance at PT Mahasania, Medan.
- f. To find out whether discipline and motivation have simultaneous effect on employee performance at PT Mahasania, Medan.

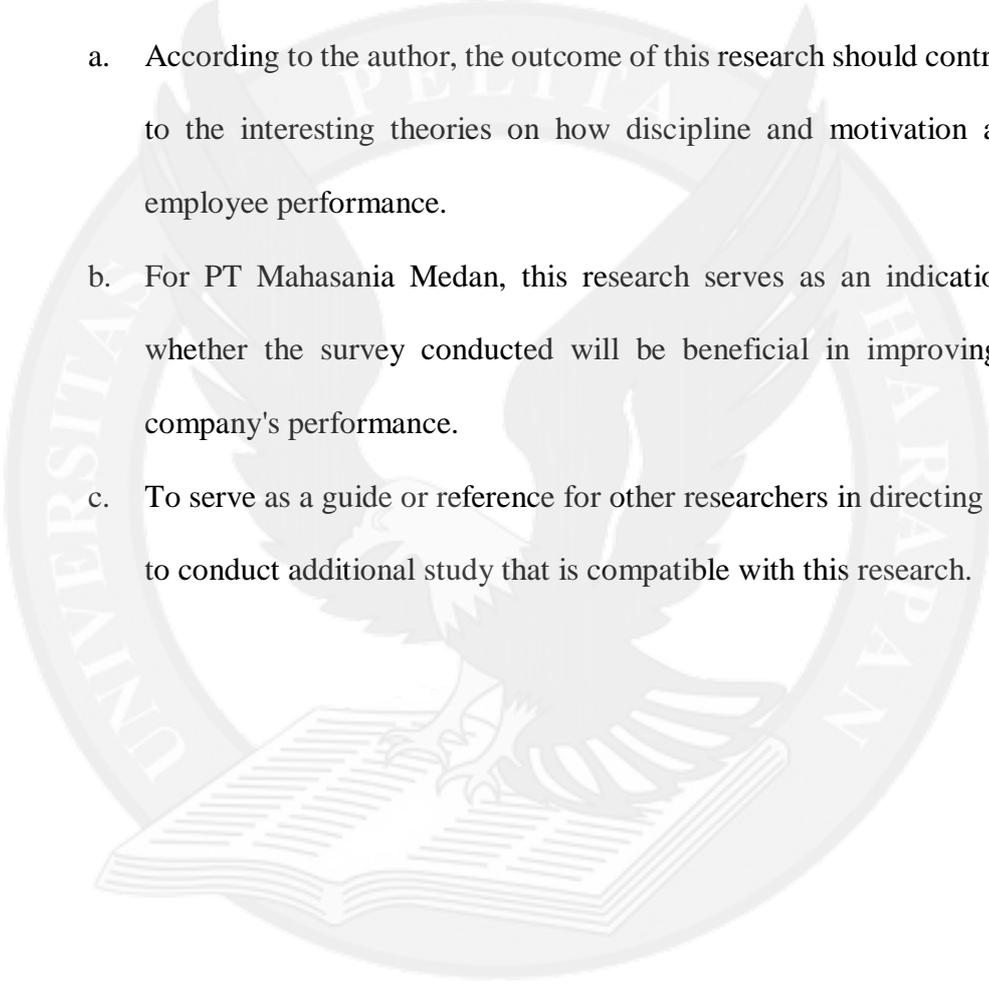
1.5. Benefit of the Research

The benefit of this research are as follows:

1.5.1. Theoretical Benefit

The findings of this study are intended to add to the body of knowledge on discipline and motivation and their effect on employee performance.

1.5.2. Practical Benefit

- a. According to the author, the outcome of this research should contribute to the interesting theories on how discipline and motivation affect employee performance.
 - b. For PT Mahasania Medan, this research serves as an indication of whether the survey conducted will be beneficial in improving the company's performance.
 - c. To serve as a guide or reference for other researchers in directing them to conduct additional study that is compatible with this research.
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