

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Human Resources Management (HRM) is a management function concerned with hiring, motivating and maintaining people in an organization. It focuses on people in organizations. Human resource management is designing management systems to ensure that human talent is used effectively and efficiently to accomplish organizational goals. HRM is the personnel function which is concerned with procurement, development, compensation, integration and maintenance of the personnel of an organization for the purpose of contributing towards the accomplishments of the organization's objectives. Therefore, personnel management is the planning, organizing, directing, and controlling of the performance of those operative functions (Philippo, 2018).

Human Resources is a factor very important and cannot even be separated from an organization, both institutions and companies. In addition, Human Resources can influence organizational development. Basically, Human Resources are people who work in an organization who act as motivator, processing and planning to achieve the goals of the organization (Mangkunegara, 2019). Human Resources must be trained and their abilities developed. Good human resource management is a major factor so that organizational goals can be achieved. Employee performance can be used as a tool to measure the quality of Human Resources. Employee work results are the results of work in quality and quantity

achieved by an employee in carrying out the assigned duties and responsibilities.

According to Creswell (2019), concerning the impact of motivation on the performance of employees helps to understand motivation that affects employee performance in the organization and motivational tools used by the organization so as to motivate employees for the high performance. According to Robbins (2018), Discipline is also the awareness and willingness of a person to obey all laws and social norms in force. Employee discipline can be seen from the responsibility, attitude, behavior and action of an employee in compliance with all forms of regulation as long as they work at the agency. Good leadership will lead to employee motivation, so with high motivation the employees will have high discipline and ultimately affect the performance of employees.

CV Harapan Raya Medan is a company of distribution of goods of metal and steel for the purposes of construction and construction raw materials. CV Harapan Raya Medan, located on Jl. Gunung Krakatau no. 259 Medan. This company is a family company led by two generations. In this company, placing several good family members in several vital divisions that play an important role in the company's operations. Since its establishment the first time with a focus on vision & mission has always been committed to providing the best quality with a focus on developing construction raw materials.

Improving productivity in a good employee performance organization is one important factor to run the agency efforts for performance generated by an employee in accordance with its role in the organization within a certain period.

Therefore, employee performance can affect the success rate of a job because with the results achieved can be known how much an employee's performance results (Sinambela, 2018). Employee performance within performs its functions in relation to motivation and discipline levels that are influenced by individual skills, abilities, and traits. Employee performance is very important in the company.

The decline in employee performance CV Harapan Raya Medan which can be seen from the diligence of employee has decreased so resulting in not being completed on time.

Table 1.1 Employee's Lateness and Attendance Data CV Harapan Raya Medan January – December 2021

Month	Late	Absent
January	24	12
February	29	9
March	21	17
April	32	13
May	36	16
June	41	10
July	28	12
August	24	14
October	29	16
November	31	18
December	39	31

Sources: CV Harapan Raya Medan, 2021

Motivation is also important in improving employee performance. Motivation is an impetus for a series of human behavior processes in achieving goals. Motivation is something that influences someone to do activities. Motive means wants, desire, and needs of an individual. Therefore, the employee motivation refers to a procedure where organizational inspire their employees with the shape of bonus, rewards, increment, etc. to achieve organizational goals.

Motivation is defined as energizing and directing employee efforts. It is equally important that effective leader understand how to influence people to

perform specific behaviors and tasks they are likely to find mundane. A leader needs to be able to persuade employees to stay with the organization. Leader wants employees to complete tasks at times and always perform at a high level. A little provision of employee motivation can be seen from the provision of a few awards such as salary increases, job promotions that are little done so that employees are unable to improve employee performance.

**Table 1.22 Motivation Data of CV Harapan Raya Medan
January – December 2021**

Month	Resign Total
January	1
February	1
March	0
April	0
May	2
June	1
July	1
August	0
October	3
November	2
December	1

Sources: CV Harapan Raya Medan, 2021

Table 1.2 shows that this low level of work motivation results in employees opting out of the company.

Work discipline has an important meaning for the workplace organization with the existence of work discipline on every employee in the workplace organization that will make the organization progress, because disciplined employees in doing work can complete existing tasks within the workplace organization environment. even though it does not overall produce a perfect job Jucius (2018). Discipline is a state of being aware and capable to obey all rules and regulations stated by the company and social norms occurred. Work discipline is the awareness and willingness of someone to carry out the task and responsibility.

Organizational culture is a system of shared meanings shared by members who distinguish the organization from other organizations.

Work discipline is a tool used by managers to communicate with employees so that they are willing to change behavior and as an effort to increase one's awareness and willingness to obey all company regulations and prevailing social norms. Employee discipline low seen from the number of employees who do not have the discipline that good in obeying the rules of the company such as the frequent employee late coming, absenteeism then the amount of work employees who resolved not timely.

Based on the above explanation, the writer decides to conduct research entitled **“Effect of Work Motivation and Work Discipline on Employee Performance at CV Harapan Raya Medan”**.

1.2 Problem Limitation

Due to limitation of time and budget this research focussed to CV Harapan Raya Medan that work motivation (X_1), work discipline (X_2) and employee performance (Y). Respondent in this study is the finance Division, HRD Division, marketing and project which has a total of 34 employees.

The decline in employee performance CV Harapan Raya Medan which can be seen from the diligence of employee has decreased so resulting in not being completed on time. According to Gomes (2019), performance measurement can be done through several indicators are quantity of work, quality of work, job knowledged, creativeness, dependability and initiative.

A little provision of employee motivation CV Harapan Raya Medan can be seen from the provision of a few awards such as salary increases, job promotions that are little done so that employees are unable to improve employee performance. According to Sunyoto, (2018), indicator of motivation are: promotion, awards, responsibility and recognition

Employee discipline low seen from the number of employees who do not have the discipline that good in obeying the rules of the company such as the frequent employee late coming, absenteeism then the amount of work employees who resolved not timely. According to Rivai (2018), Work discipline indicators include attendance, adherence to work regulations, adherence to work standards, high level of vigilance and work ethically.

1.3 Problem Formulation

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

1. Does motivation have partial effect on employee performance at CV Harapan Raya Medan?
2. Does work discipline has partial effect on employee performance at CV Harapan Raya Medan?
3. Do motivation and work discipline have simultaneous effect on employee performance at CV Harapan Raya Medan?

1.4 Objective of the Research

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

1. To analyze motivation whether has partial effect on employee performance at CV Harapan Raya Medan
2. To discover work discipline whether has partial effect on employee performance at CV Harapan Raya Medan.
3. To investigate motivation and work discipline has simultaneous effect on employee performance at CV Harapan Raya 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 motivation and work discipline and its effect towards employee performance.

1.5.2 Practical Benefit

The practical benefits on this research are:

1. 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 motivation, work discipline and employee performance.

2. For the company

To provide useful suggestion for the company in increasing employee performance especially improving the motivation and work discipline.

3. 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.

