

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The motivation behind each organization is to create a gain by getting most extreme benefit so that future endurance can be ensured. Keeping up with the organization's endurance implies additionally requiring people as HR since this variable plays a significant part in completing every one of its exercises either as organizers, entertainers or determinants of the acknowledgment of the organization's goals. At the end of the day, HR should be used as best as could be expected to give agreeable worker execution to the organization

Hereinafter, due to that, plethora of businesses will face such an excessive competition in every element in their operations in trendy market and every firm is fighting to steer its customers to stay doing enterprise with them in diverse ways. This compels the firm to pay greater attention to the surroundings that may have an impact on it, so they may choose what form of management plan to appoint and how it must be applied. Nevertheless, each enterprise participant in each business category should be responsive to any adjustments that occur and attention on client happiness because the number one purpose. thus, that's the reason why each corporation ought to adept and compete fiercely whilst handling opposition, not best via simply imparting low- price goods and positioning them in conveniently available places, however organizations have in order to take the benefit of possibilities that exist inside the marketplace and used that to sustain

purchaser loyalty in which it is the importance and core factor within the commercial enterprise quarter as it's far critical for lengthy-time period success. similarly to that, by using controlling, invigorating the organization approaches in attracting the customers, it could additionally turn out to be the key factor to growth the organization performance as well as profit, as it's far helpful in produce merchandise, establish pricing, run promotions, distribute items and in escalating the purchaser pride and consider, that effectively ought to differentiate the business enterprise from other competitors in addition to it can immensely effect the business improvement. as a result, it's terrific for agency to have a very good perception in client's point of view.

Therefore, establishment must maintain in search of an invention to coordinate with the capricious enterprise demanding situations and confront it with energy and credence. Nevertheless, the main system that could be applied is to keep in make improvements on the best of the goods. The significance of getting an amazing judgment of a product from customer demonstrates the introduction of client satisfaction. aside from that, cost of manufacturing is likewise beneficial as a basis for determining selling expenses and earnings, as it's far a device that might determine efficiency within the implementation of the manufacturing and pricing method, and as a guide in management selection making, in which the corporation's inaccuracy in calculating or determining the cost of manufacturing should have a poor impact on the corporation and the consumer belief. As a result, a competitive promoting rate is beneficial to the company for make an excellent notion of charge, because it will

maintain to broaden, stay sustainable in the face of greater hard business competition, in addition to for you to benefit appropriate customers belief, believe and delight that could result in invent the loyalty of customer, in which the purchaser is normally labeled as one of the employer's belongings that ought to no longer be lost via most agencies, due to the fact the costumers are a person who will purchase the company's product and without them, there could be no income and earnings to the commercial enterprise and customers are the eminent thing to the success of any business enterprise, because they own an potential to make a firm be successful or fail. Customers who might be unswerving to a brand, tendsto be trustworthy to the emblem, products, and offerings that the employer offer. Except that, patron loyalty could increase profitability, sales, and allows for long-time period expansion. A nicely- designed and well-implemented loyalty application might also assist maintaining current clients, attracting new clients, decreasing turnover, and increasing sales. Thereupon, if customer is dependable in the direction of enterprise, it mechanically will affect and risen the business enterprise overall performance.

According to Anoraga (218), work motivation is the willingness to work of employees that arises because of the encouragement from within the employee concerned as a result of overall integration rather than personal needs, the influence of the physical environment and the influence of the social environment where its strength depends on the integration process. McCormick Work motivation is a condition that influences to generate, direct and maintain behavior related to the work environment. Berelson and Steiner in Sastrohadiwiryo work

motivation is a mental state and human mental attitude that provides energy, encourages activities or moves and leads or channels behavior towards achieving needs that provide satisfaction or reduce imbalances.

Table 1.1 Reward to Employee

Motivation Employee	
Years	Motivation
2017	Give a bonus (Salary)
2018	Give a bonus (Salary) + Facility
2019	Give a bonus (Salary) + Holiday
2020	Give a bonus (Salary) + Holiday
2021	Give a bonus (Salary) + Holiday

Sources: CV Super Teknik (2021)

We can see from the data table above, we can see that every year the company has provided various motivations for its employees, from 2017 the company only gave bonuses to its employees in the form of salary (Double Salary) onwards in 2018 the company even provided double salaries and facilities such as motorbikes and others, in the following year the company also gave double salaries and gave them tickets for holidays such as out of town/other and it will continue to be done until 2021 the purpose of this goal is to motivate existing employees so that they achieve the existing targets In the company, if the employees have achieved the targets requested by the company, the economy of the company will also increase thanks to the employees who have worked hard.

Table 1.2 Data of employee and working experiences

Data of employees and working experiences		
Years	Data	Experiences
2017	50 Employee	Work for 5 Years
2018	52 Employee	Work for 6 Years
2019	55 Employee	Work for 7 Years
2020	58 Employee	Work for 8 Years
2021	60 Employee	Work for 9 Years

Sources: CV Super Teknik (2021)

We can see from the data table above, we can see that every year the employees of the company have increasing work experience, the purpose of work experience is that every employee has the knowledge to repair machines such as transformers, generator engines and others with the intention that employees can solve problems that exist in the machine quickly because the more work experience they have, each employee can solve them in a fairly short time with the aim that the company can get more income from this.

Table 1.3 KPI of Employee Performance

Data of employees' performance		
Years	Data	Performance
2017	50 Employee	1% of them late
2018	52 Employee	1% of them late
2019	55 Employee	2% of them late
2020	58 Employee	1% of them late
2021	60 Employee	3% of them late

Sources: CV Super Teknik (2021)

We can see from the data table above, the number of employees who were late to the company in 2017 was 1% of all employees who were late for work at the company for certain reasons, and in 2018 the number of employees who were

late did not increase or did not experience changes. at 1% because they have been given a warning if they are late they will get a salary deduction according to the amount of time they are late, and in 2019 the number of late rates increased from 1% to 2% because many new employees came from outside the city so they it takes more time than other employees to get to the company to work, and in 2020 the figure that was at 2% even dropped to 1% because many employees have rented places to live around the company with the intention of getting to the company faster to work, and in 2021 the number that was at 1% even increased to 3% because there are still many new employees and they still don't have their own means of transportation so they need a longer time to get to the company. Then, an increase in employee work delays is caused by performance problems, a decrease in employee performance because employees do not have good initiative in helping colleagues to complete work on time, are not serious or discipline in carrying out their responsibilities which results in not being able to complete the work properly.

Based on description above, the writer wants to conduct the research with title **“The Effect of Employee Capability and Motivation on Employees’ Performance at CV Super Teknik. Medan”**.

1.2 Problem Limitation

Most every research has certain limitations, as the results of the study will be less precise if the study is not limited, the author decides to conduct the study by setting several limitations, such as:

- A. Because during the Covid-19 pandemic, filling in Google form data is given via Google Form which will be done online.
- B. The research only uses 3 variables, which are:
 - a) The first independent variable X1 is Employee Capability, whose indicators are: Working Experience, Skills, Introducing Product Specifications.
 - b) The second independent variable X2 is Motivation, whose indicators are: Energy, Commitment, Staying Power, Skills, Single-mindedness, and Enjoyment.
 - c) While the dependent variable is Y is Employee Performance whose indicators are Quantity, Quality, Speed, Cost.

1.3 Problem Formulation

To analyze whether how the employee capability and motivation effect the employee performance at CV Super Teknik, Medan. Therefore, the writer formulates some research question:

1. Does Employee Capability effect employees performance at CV Super Teknik, Medan?
2. Does Motivation effect employees performance at CV Super Teknik, Medan?
3. Do motivation and employee capability effect the employees performance at CV Super Teknik, Medan?

1.4 Objective of the Research

The objectives of this research are to determine the effect of motivation and employee capability on employees' performance at CV Super Teknik, Medan

1. To understand how Employee Capability effect the employees' performance at CV Super Teknik, Medan
2. To understand how Motivation effect the employees' performance at CV Super Teknik, Medan
3. To understand how the employee capability and motivation effect the employees' performance at CV Super Teknik, Medan

1.5 Benefit of the Research

The benefits of this research will be divided into 2:

1.5.1 Theoretical Benefit

This completion of this study is expected to give a better understanding about how Motivation and Employee Capability off employees will give impact the Employees' Performance

This study is expected to be an extra knowledge for future researchers or reader who have the similar topic or variables.

1.5.2 Practical Benefit

The Practical benefit of this research are:

1. For the writer, this research could improve the experience and knowledge of the effect of Motivation and Employee Capability on Employees' Performance in real-life setting.
2. For other researcher, the results of this research are expected to be useful as a comparison and input and consideration materials to conduct research in the future.
3. For the company, this research is expected to be useful as reference and comparison materials as well as consideration materials in improving employee performance in the future.

