

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Companies are generally established with the aim to obtain maximum benefit. Human resource management is very important in achieving company goals. The issue of human resources is still the center of attention for a company to survive in the era of globalization accompanied by increasingly fierce competition. In a company, the potential of Human Resources (HR) needs to be managed as well as possible (Venkataraman, 2018). The key to a company's success is not only on the benefits of assistance and the availability of funds, but the human factor is the most important. Humans can be said as the main resources that are able to manage, analyze, and control the problems that exist in the company. In addition, humans have diverse desires, thoughts, feelings, statuses, and backgrounds that are brought into the company to achieve the company's goals. A company is required to have a disciplined view and attitude to improve employee productivity, work discipline is the most important human resource management function and is closely related to the management of resources for a company (Wairooy, 2017).

PT Lautan Indomas Utama, Medan are forwarding service, importer, PPJK Online Service and EMKL. PT Lautan Indomas Utama, Medan established in 2003 and located in the Jl. Bambu II no 38, Medan. PT Lautan Indomas Utama, Medan is a family company. This company has running from two generations and now is being led by Rahmad Rangrang Tunggal Bawono.

Employee performance is closely related to the results of one's work in an organization or company. The results of the work can involve quality, quantity, and timeliness, but performance evaluation in a company's organization is key in employee development (Irfansyah, 2020).

The employee performance at the company PT Lautan Indomas Utama, Medan experienced a decline that reflected from the assessment of the performance of the obtained results is not very good. Following the results of the assessment of the employee performance is:

Table 1.1
Data of Employee Performance Appraisal PT Lautan Indomas Utama Medan 2021

Grade	Term 1 (January-June)	Term 2 (July- December)
A	4	6
B	15	9
C	10	16
D	4	4
E	3	1

Sources: Prepared by the writer (PT Lautan Indomas Utama Medan, 2021)

Table 1.1 shows that the company is going performance assessment 2 times for 1 year. For the value of A means very good, the value of B means Good, the value of C means well enough, the value of D means less good, the value of E is less. The results of the performance assessment show that still a lot of employees who obtain a value that is less good. Aspects of the appraiser's performance regarding technical knowledge of the work, work quality, speed in completing the work, ability to adjust self, teamwork, communication, work discipline, initiative, responsibility and timeliness.

Discipline is a procedure that corrects or punishes subordinates for violating a rule or procedure. Discipline is a form of employee self-control and regular implementation and shows the level of seriousness of the work team in an

organization (Athar, 2020). The existence of work discipline is very necessary in a company because it is in an atmosphere of discipline that the company will be able to carry out its work programs to achieve predetermined goals. Employees who are disciplined and orderly obey all norms and regulations that apply in the company will be able to increase efficiency, effectiveness, and productivity.

According to Kelibulin (2019), with high discipline employees will perform their best tasks, so that the objectives that want to be achieved according to the plan. If a company is unable to engage the discipline of employee work, the employee's performance will be decreased. Based on Syamsul and Kartika (2019), the discipline of work affecting employee performance. Therefore, the higher the labor discipline of employees, will be higher also the employee performance.

According to Singodimendjo (2018), discipline is an attitude of willingness and willingness to obey and obey the norms of regulations that apply around it. Employees who have a high level of discipline will obey all applicable regulations and will work with enthusiasm and diligence even if the leadership does not supervise directly. But in its implementation at PT Lautan Indomas Utama, Medan still have not optimally assumed responsibility for the work provided. Discipline in carrying out duties and responsibilities at work is very important and will impact on the company's performance and goals in the future. The conditions that are being experienced by employees have decreased employee performance, such as the delay of employees coming to work at predetermined office hours and frequent employees who do not enter. The increase in absenteeism of absent employees is

also one of the factors in the decrease in work discipline, as shown in Table 1.2 below.

Table 1.2
Employees Attendance Data PT Lautan Indomas Utama, Medan 2021

Month	Absence	Lateness
January	17	24
February	15	28
March	10	17
April	16	23
May	21	15
June	9	27
July	13	31
August	8	29
September	9	24
October	13	26
November	15	20
December	24	34

Sources: Prepared by the writer (PT Lautan Indomas Utama, Medan, 2021)

Table 1.2. show that the level of labor discipline which still tend to be better seen from the level of employee attendance and the level of lateness that increased from the year 2021.

According to Fahmi (2019), Job promotion is an increase in the position of an employee from a previous position to a higher position. To carry out a job promotion, a company or agency must determine conditions in advance so as guarantee that the employee who will be promoted will have the ability to hold a higher position. Job promotion is the opportunity to develop and progress that can be encourage employees to be better and eager in the conduct of a work in an organizational environment.

There are several criteria that need to be considered by the company in promotion employees, namely: seniority, educational qualifications, achievements work, initiative and creativity, the level of loyalty and honesty. With the presence of promotion or change the pose of responsibility, rights, status, and authority

increased, it is necessary for the ability so that better support the improvement of employee performance (Ardana, 2019). According to Widyani (2018), Job promotion is a rise on the position of an employee from the previous position to a higher position, such job promotion can be a promotion from a lower to a higher position. Job promotion is an important variable in improving the employee performance where employees feel less given the opportunity in increasing their career, resulting in the performance of the employees were decreased.

Job promotion position has a relationship with performance because job promotion provides an important role for every employee it even becomes dream and goals that are always expected. Every employee tries to give the best performance for the company with the hope that performance meets the company's expectation, and employees will get rewards in the form of job promotions. Job promotion in the company PT Lautan Indomas Utama, Medan is still not optimal because it is still based on seniority, it is not the work performance of employees. The system of job promotion that is less applied to the fair because the rules of the job promotion are less socialized by the company so that the employees do not understand the terms of obtaining a job promotion. For there are number of complaints from employees and therefore contributes to the low performance of employees.

Based on the above explanation, the writer decides to conduct research with the title of **“The Influence of Work Discipline and Job Promotion Towards Employee Performance on PT Lautan Indomas Utama, Medan”**

1.2 Problem Limitation

Due to limitation of time and budget this research focused to PT Lautan Indomas Utama, Medan that Work Discipline (X_1), Job Promotion (X_2) and Employee Performance (Y).

1. This research starts from December 2021 to April 2022.
2. The distribution of a questionnaire conducted in the month of February 2022.
3. This study uses the entire division of labor the operational, accounting division and finance division, trucking division and document division.
4. Respondents in this study namely start of employees who work 1 year to 7 years.
5. Indicators of work discipline used in this study adapts the theory expressed by Singodimendjod (2018) argues that measurement time effectively, responsibility and attendance. According to Siagian (2020), in the implementation which is used as the basis for job promotion is experience (seniority), ability, education and loyalty. According to Mangkunegara (2019) there are several indicators of performance as follow: quality of work, quantity of work, cooperation, and initiative.

1.3 Problem Formulation

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

1. How is the work discipline at PT Lautan Indomas Utama, Medan?
2. How is the job promotion at PT Lautan Indomas Utama, Medan?
3. How is the employee performance at PT Lautan Indomas Utama, Medan?

4. Does work discipline have partial influence towards the employee performance at PT Lautan Indomas Utama, Medan?
5. Does job promotion have partial influence towards the employee performance at PT Lautan Indomas Utama, Medan?
6. Do work discipline and job promotion have simultaneous influence towards the employee performance at PT Lautan Indomas Utama, Medan?

1.4 Objective of the Research

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

1. To describe about work discipline offered in PT Lautan Indomas Utama, Medan.
2. To explain about job promotion provided by PT Lautan Indomas Utama, Medan
3. To assess how employee performance on PT Lautan Indomas Utama, Medan
4. To analyze whether work discipline has partial influence towards the employee performance at PT Lautan Indomas Utama, Medan.
5. To discover whether job promotion has partial influence towards the employee performance at PT Lautan Indomas Utama, Medan.
6. To investigate work discipline and job promotion have simultaneous influence towards the employee performance at PT Lautan Indomas Utama, 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 aim to achieve a better understanding of the influence of work discipline and job performance towards employee performance. The purpose of this study is to determine whether employee performance has a relationship with the two variables, namely work discipline and job promotion. This study also can be used to expand, improve, and develop the relevant theories especially in the work discipline and job promotion and its influence 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 work discipline, job promotion and employee performance.

2. For the company

To provide useful suggestion for the company in increasing Employee Performance especially improving the work discipline and job promotion.

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.