

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The internal and external changes of an organization can be due to the weakening or strong contribution of its human resources. This means the existence of human resources in a company can be one of the drivers of the company's performance. Company performance is aggregation or performance accumulation of all organizational units. Thus, the company's performance is strongly affected by three main factors namely organizational support, management capability and performance of everyone who works in the company. Human resources play a role in activity planning activities, implementation, achievement, evaluation and improvement results. The most important factor that can affect the achievement of one's work is the competence and leadership factor of the person concerned (Eigis,2018).

Employee performance is a measure of how human resources in a company have played a role or not in the progress of the organization. The potential of well-performing human resources determines the success of the company. To achieve the best performance, directed human resource management is necessary through various policies that can adjust the mutual interests of employees and the company. In addition, employee performance will be good with the awareness and seriousness of employees as individuals in carrying out their duties and responsibilities. According to Mangkunegara (2019),

"Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities assigned to company". One of the factors that can encourage employee performance is the potential in the employees in the form of competencies possessed by each employee.

CV Haus Development, Medan located at jl Gereja No 2C-2D Medan. CV Haus Development, Medan is a company engaged in the field of property standing start in 2002. CV Haus Development, Medan is a company that is quite advanced and has become a family company. CV Haus Development, Medan is experiencing a decline in employee performance. The performance of the employees is seen from the level of employee attendance is low, resulting in work that cannot be completed on time.

Table 1. 1 Employee Attendance Data CV Haus Development, Medan 2021

Month	Absence	%
January	14	33
February	10	24
March	9	21
April	16	38
May	21	50
June	17	40
July	14	33
August	21	50
September	24	57
October	19	45
November	21	50
December	28	67

Sources: CV Haus Development, Medan, (2022)

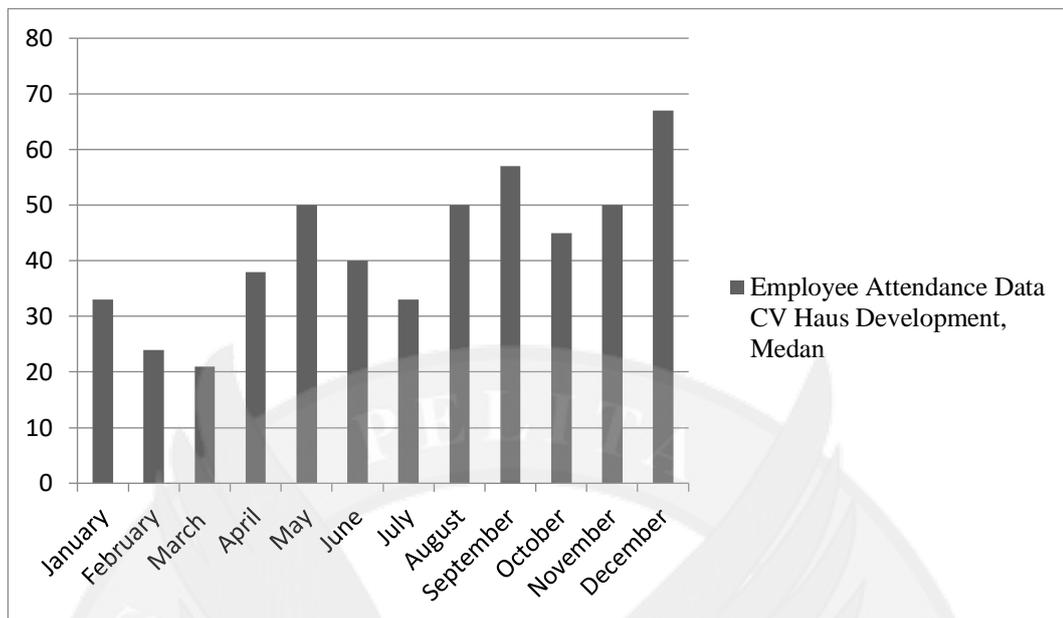


Figure 1. 1 Employee Attendance Data CV Haus Development, Medan (2021)

Sources: CV Haus Development Medan, (2021)

Competence can be described as basic characteristics, personality deepest and influencing the behavior of a worker when he faces the job. Ultimately these basic characteristics effect the effectiveness in carrying out its work. Competence is the basis for how the work performed by employees can be carried out in accordance with the demands of the work for which they are responsible. In this case, employees must continue to be able to adjust to be able to have the will so that employees meet competency standards in accordance with their field of work. Lasmahadi (2018) states that competence will always be associated with superior performance since competence includes personal aspects that encourage employees to achieve superior performance. Competence includes a set of intelligent actions, full of responsibilities that someone has as a condition to be considered capable by the community in carrying out tasks in the field of work.

The competence of the employees working on the CV Haus Development, Medan not support the current term in the execution of their duties and responsibilities. This is due to the placement of employees less based on the suitability of the employee's ability both in terms of experience and education that is owned by the employees. In addition, the competence of the employee is also low look from the behavior of employees who are less than ethical in receiving criticism from leaders.

Leadership is a comprehensive pattern of the actions of a leader, both visible and invisible to his subordinates. Leadership describes a consistent philosophy, skills, traits and attitudes that underlie one's behavior. Leadership will show directly about a leader's belief in the abilities of his subordinates. Leadership itself is a pattern of behavior that is displayed as a leader when trying to effect the behavior of others. Because the behavior shown by subordinates is basically the response of the subordinates to their leadership.

Leadership can affect employee performance, because in carrying out their duties, leaders need to pay attention and be supervised so that employees work well. Therefore, leadership are very important in this company, so that there is supervision and encouragement for employees in carrying out work. Leadership of CV Haus Development, Medan that is still not effective due to a leader who is still not able to provide motivation to the employees who have low performance or does not reach the target of work, leadership emotional when employees make mistakes in the work and did not reach the target work, the demands of leaders

who sometimes do not pay attention to the problems of work, resulting in the employee difficulties in carrying out their duties.

Based on the problems that occurred, the researcher took the title “**The Effect of Competence and Leadership on Employee Performance at CV Haus Development, Medan**”.

1.2 Problem Limitation

Problem limitation in this research is:

1. This study was conducted in CV Haus Development, Medan.
2. The independent variable used is the Competence (X1) and Leadership (X2) and the dependent variable is Employee Performance (Y).
3. The employees in this study is the period of work for 1 year and aged from 20-50 years. Research this whole division of labor that consists of 38 respondents, namely marketing division, HR division, finance division and operations division.
4. Spencer (2017), competence is something that underlies individual characteristics such as self concept, knowledge and skill. According to French and Raven (2018), indicator of effective leadership is: coersive power, reward power, expert power, legitimasi power, and reference power. Cascio (2019), indicators employee performance is quality, quantity, timeliness and effectiveness.

1.3 Problem Formulation

The problem formulation of this research are:

1. How is the Competence at CV Haus Development, Medan?
2. How is the Leadership at CV Haus Development, Medan?
3. How is the Employee Performance at CV Haus Development, Medan?
4. Does Competence have effect on Employee Performance at CV Haus Development, Medan?
5. Does Leadership have effect on Employee Performance at CV Haus Development, Medan?
6. Do Competence and Leadership have effect on Employee Performance at CV Haus Development, Medan?

1.4 Objective of the Research

the objective of this research is:

1. To analyze Competence at CV Haus Development, Medan.
2. To analyze Leadership at CV Haus Development, Medan.
3. To analyze Employee Performance at CV Haus Development, Medan.
4. To analyze Work Competence, have effect on Employee Performance at CV Haus Development, Medan.
5. To analyze Leadership, have effect on Employee Performance at CV Haus Development, Medan.
6. To analyze Work Competence and Leadership have effect on Employee Performance at CV Haus Development, Medan.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

The research result can be used to expand, improve and develop the relevant theories especially in the Work Competence and Leadership 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 Work Competence, Leadership and Employee Performance.

2. For the company CV Haus Development, Medan

To provide useful suggestion for the CV Haus Development, Medan in increasing Employee Performance especially improving the Work Competence and Leadership.

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.