

CHAPTER I

INTRODUCTION

1.1 Background of The Study

The era of globalization in which everything changes and develops requires that the world continue to innovate to keep up with the developments of the times. Human resource management play a role in the organization in developing the firm's strategy to achieve goals and putting the strategy into action by Dessler (2013) as cited (Dewi and Riana, 2019). As a result, organizations need to pay attention to employee well-being to increase employee retention. If an organization's employee retention is low, it will impair its working conditions, decreasing employee satisfaction and performance. During the COVID-19 pandemic, there are many challenges in maintaining the performance of its employees, so organizations must be able to empower so that employees can contribute well to the organization.

Employee retention is a strategy that organizations use to keep qualified employees. Employees will leave due to stress and dissatisfaction if they cannot use their outstanding ability, are not appreciated, or heard in the workplace, and do not receive praises as they should. This would worsen the organization's difficult situation. Employee turnover will increase if employee retention is low, which negatively affects the performance and effectiveness of the organization, so employee retention is essential for organizations to pay attention to.

Various factors affect the level of employee retention in an organization. The factors discussed in this discussion are motivation and perceived organizational support (POS). According to Siagian (2009) cited as (Muaffa, 2021) for an organization to succeed and reach its objectives, employees must be motivated to contribute as much as possible. Lack of work motivation on employees has a negative impact on organizations where employee performance decreases and employees become dissatisfied with working at the organization, which leads to resignation. According to (Hidayatullah, 2021), that employee motivation significantly influences and simultaneously influences employee retention, with higher employee retention being a function of employee motivation inside an organization. Meanwhile, according to Suwaji and Sabella (2019) motivation has negative and insignificant influences the employee retention. With this, there are two differences in the research results on the motivation variable for employee retention.

In addition to motivation, another supporting factor that significantly affects employee retention is perceived organizational support (POS). According to Robbins and Coulter (2019) cited as (Darmika and Sriathi, 2019) the organization's high level of perceived organizational support contributes to increased job satisfaction and lower turnover rates. To retain and grow employee retention, a firm must increase perceived organizational support. With perceived organizational support, employees believe that their efforts for the organization are recognized and that the organization is committed to their well-being. According to Muaffa (2021), Perceived Organizational Support

(POS) significantly influences and simultaneously influences employee retention, while according to Cahyana (2012) cited as (Hidayatullah, 2021) Perceived Organizational Support (POS) has a positive impact but does not significantly influence and simultaneously influences employee retention. Therefore, two differences result in the research results on the Perceived Organizational Support (POS) variable on employee retention.

This research aims to determine the influence of motivation and perceived organizational support (POS) on employee retention in Education, Resource and Services (ERS) at Binjai. In every organization at least has one problem which will be discussed further in this *skripsi* is the employee retention. Yayasan Education, Resources and Services (ERS) is an organization involved in education services. From 2019 to 2021, the pandemic affected organizations' performance in various industrial sectors, especially the education industry, as experienced by ERS in Binjai based on employee turnover data obtained.

Table 1.1 Yayasan ERS Retained Employees & Turnover Rate in 2019 - 2021

Year	Number of Employees at the beginning of the year	New Intake	Resigned	Retained Employees	Employees in Total	Turnover Rate (%)
2019	129	25	11	118	143	8%
2020	143	8	30	113	121	23%
2021	121	37	20	101	138	15%

Source: Yayasan Education, Resource, Services, Binjai (2022)

From the table data shown in Table 1, there is a problem in employee retention at Yayasan Education, Resources and Services (ERS), which is in 2019 the employee who left the organization was 11, followed by 2020 and 2021 each was 30 and 20. The writer gets a phenomenon in employee turnover at Yayasan Education, Resources and Services (ERS), that the organization is less able to retain employees from the data of retained employees which gradually decrease past three years from 2019 to 2021.

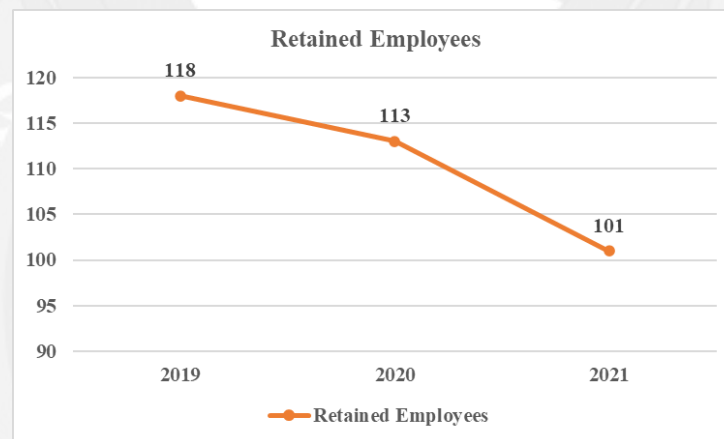


Figure 1.1 Retained Employees at Yayasan ERS

Source: Yayasan Education, Resource, Services, Binjai (2022)

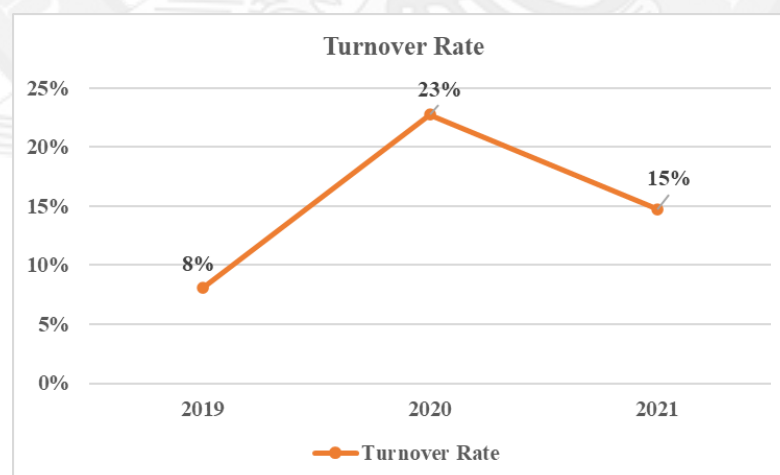


Figure 1.2 Employee Turnover Rate at Yayasan ERS

Source: Yayasan Education, Resource, Services, Binjai (2022)

Employee turnover in Yayasan Education, Resources and Services (ERS) fluctuates greatly. In 2019 it increased rapidly from 8% to 23% in 2020 but decreased to 15% in 2021. However, the decline in 2021 is still above the turnover rate in 2019 which is an interesting thing to study so that writer can find out factors that can affect employee retention (employee retention). Low employee turnover will positively impact the organization, increasing the organization's effectiveness and performance so that the organization's vision and mission can be achieved.

From writer's observations and discussions with management, in 2019 and 2020, employees did their work online and in 2021 employees began to switch to offline. From working online then suddenly switching to offline, the problem observed is employees tend to have less motivation to work, so they often feel stressed and burned out. By not getting enough motivation from the foundation, employees feel less appreciated and feel that they work only for the benefit of the organization, not for the improvement of their work performance and many of them somehow feel stressed.

If their work performance is good, they will like their work and do not have the intention to resign, then the turnover level will be low. As a foundation that is involved in education, this is a forum to distribute knowledge to students. Continuing to deal with students, requires strong encouragement from the organization. However, the organization is still lacking in giving encouragement and organizational support to their employees, so the employees choose to resign from their work.

Employees must consider the factors to measure how the organization appreciates them. The acts that reflect that the organization pays attention to employees' efforts, such as fair treatment of all employees, supervisory support followed by the provision of rewards, and appropriate working conditions, make it easier for the organization to increase the retention of its employees. The title of this *skripsi* is "**The Influence of Motivation and Perceived Organizational Support (POS) Towards Employee Retention at Yayasan Education, Resources and Services (ERS) at Binjai**" to further discuss the phenomena discussed above.

1.2 Problem Limitation

This research focuses on the problem and influence of two variables, the first one is independent variables which are motivation with physical needs, security needs, social, reward, and self-actualization as the indicators, and perceived organizational support (POS) with fairness, supervisor support, organizational rewards and job conditions as the indicators. The second is a dependent variable which is employee retention with organizational and management factors, employee-supervisor relationships, job and task planning, rewards, and career training and development as the indicators. This research will be held at Yayasan Education, Resources and Services (ERS) at Binjai as the correspondents are instructors (teachers) and staff that includes administrators and financial staff. To analyze data, the

writer used the SPSS application, and the analysis tool is multiple linear regression.

1.3 Problem Formulation

The following are the questions that will be discussed in this research:

1. How is the motivation at Yayasan Education, Resources and Services (ERS)?
2. How is the perceived organizational support (POS) at Yayasan Education, Resources and Services (ERS)?
3. How is the retention of employees at Yayasan Education, Resources and Services (ERS)?
4. Does the motivation partially influence the employee retention at Yayasan Education, Resources and Services (ERS)?
5. Does the perceived organizational support (POS) partially influence the employee retention at Yayasan Education, Resources and Services (ERS)?
6. Do motivation and perceived organizational support (POS) simultaneously influence the employee retention at Yayasan Education, Resources and Services (ERS)?

1.4 Objective of Research

The objectivity of this research is defined as:

1. To know how the motivation at Yayasan Education, Resources and Services (ERS).
2. To know how the perceived organizational support (POS) at Yayasan Education, Resources and Services (ERS).
3. To know how the retention of employees at Yayasan Education, Resources and Services (ERS).
4. To find out whether motivation partially influence the employee retention at Yayasan Education, Resources and Services (ERS).
5. To find out whether perceived organizational support (POS) partially influence the employee retention at Yayasan Education, Resources and Services (ERS).
6. To find out whether motivation and perceived organizational support (POS) simultaneously influence the employee retention at Yayasan Education, Resources and Services (ERS).

1.5 Result of the Research

1.5.1. Theoretical Benefit

The following are the benefits that can be obtained theoretically:

1. For the writer

As for the writer, this research can be used as a guide with the same discussion and similar title to help them get more information related to the variables in this research.

2. For the reader

This research can provide knowledge about motivation and perceived organizational support (POS) that influence employee retention.

1.5.2. Practical Benefit

Benefits that can be obtained practically from this research are as follows:

1. For Organization (employees)

The practical benefit of this research is that the organization's employees can know about their motivation and the perceived organizational support (POS) they gained.

2. For Organization

Organizations can use the results of this research to improve and maintain the level of employee retention in the future.

3. For the reader

For readers, this research is used as a benchmark for knowledge about how motivation and perceived organizational support (POS) can directly affect employee retention.

4. For the writer

For the writer, the practical benefits obtained from this research can deepen the knowledge in human capital investment, especially

regarding motivation, perceived organizational support (POS), and employee retention of employees who work in the same organization field.

