

CHAPTER I

INTRODUCTION

1.1 Background of the Study

With the evolution of times, investment in human capital is closely related to organizational progress, especially in terms of human resources. As a result, many companies compete with each other to find and acquire the best talent to grow their businesses. All this contributes to increasing efficiency, which ultimately results in the functional performance of this human resource.

An organization's progress is highly dependent on the performance of its employees. According to Fattah (2017), employee performance is the output (result) of tasks assigned to an organization or institution. Therefore, in this case, the company should pay attention to leadership, guiding, and motivating employees to improve their performance. Performance is one of the metrics he uses to determine if a job is doing well. In other words, an employee's performance is the result of the work they put in to complete their assigned duties based on skill, experience, integrity, and time. Outstanding employee performance can be used as one of the fundamental factors for measuring employee success in order to increase their optimal contribution to the company. Conversely, poor employee performance indicates employee absenteeism, which reduces their optimal contribution to society.

Companies take many measures to retain their employees. Employees are the most central part of a company's life, and it also helps keep them productive.

Combined with the company's commitment to retaining top talent, this is seen as critical to the company's progress. This means paying attention to the company through training and paying attention to the working environment within the organization.

Training can improve the performance of a company's employees. According to Hutahaean (2018), training is a form of education that focuses on learning processes, acquiring and improving skills (physical, intellectual, social, managerial, etc.) in a short period of time, and prioritizing practice. department. Over theory, the purpose of training is to maintain and improve employee performance. Training is very necessary for companies as it benefits both the company and the individual. A high level of professional training means that employee attitudes, behaviors, skills, and knowledge are in line with professional expectations, giving accountants more motivation to improve their performance. I can do it. This means that having a higher professional background means that the behavior and skills match the company's expectations, thus improving employee performance. Low scores mean that behaviors and skills are not aligned with company expectations, resulting in poor employee performance.

Another factor that affects employee performance is the work environment. According to Afandi (2018), the work environment refers to employees and influences the development of the tasks assigned to them. A conducive work environment ensures safety and provides employees with the best job opportunities. The work environment also influences employee performance. A caring corporate environment is primarily necessary to achieve business goals,

as a pleasant and safe work environment and thriving employee facilities will encourage employees to perform their work to the best of their abilities. Creating a supportive work environment requires the involvement of managers, upper management, and employees themselves. The higher the work environment, the higher the workplace atmosphere, the better the employee's performance, and vice versa, the lower the professional training, the lower the work atmosphere as expected, and the employee's performance will be lower.

PT. Alamjaya Wirasentosa is a distributor and consumer goods company that has more than 40 branches, one of which is PT Alamjaya Wirasentosa Medan, which is a branch of PT Alamjaya Wirasentosa which is engaged in distributing merchandise, especially finished goods, food products, and non-food products. PT Alamjaya Wirasentosa Medan is located at Jl. Raya Medan-Tanjung Morawa KM.13.5 No.54, Bangun Sari Village, Tanjung Morawa, North Sumatra. Production will increase if all employees are able and have an understanding of the work design that can create employee performance. The reason researchers conduct research in this company is because there are interesting things about employee performance and training, as well as the work environment. This is interesting because it can be seen from the employee's performance. PT Alamjaya Wirasentosa in Medan experienced a decline in sales related to the performance of its employees in selling and marketing its products because the level of sales generated by employees was not able to meet the targets set by the company. This is based on a review based on sales data as follows:

Table 1.1 Employee Work Implementation Results On Sales (2018-2021 Period) PT Alamjaya Wirasantosa Medan

Years	Sales Target	Sales realization	Percentage	% Target not achieved
2018	Rp. 2.106.978.529	Rp. 2.128.437.729	101,02%	-
2019	Rp. 1.893.117.688	Rp. 1.624.727.265	85,82%	14,18%
2020	Rp. 2.258.303.407	Rp. 1.776.699.680	78,67%	22,72%
2021	Rp. 2.105.211.324	Rp. 1.887.401.620	89,65%	10,35%

Source : PT Alamjaya Wirasantosa Medan, 2022

From the data in Table 1.1 above, these are the results of the sales work performed by the employees of PT Alam Jaya Wirasantosa Medan between 2018 and 2021. It can be seen that in 2018, the performance of PT Alam Jaya Wirasantosa Medan exceeded the target but declined in 2019. From a sales performance perspective, sales began to decline in 2019 and sales began to recover in 2020 and 2021, although the performance of sales in 2019-2021 did not meet the sales target set by the company. The company cannot achieve the company's goals due to quantity, quality, business behavior and other reasons. Employees often procrastinate, resulting in work not being completed on time, employees are often reprimanded and warned by their superiors, employee work mistakes still exist, employees lack motivation and a sense of responsibility. This will have a negative impact on the company, as employees who are unwilling to work will have many effects, including absenteeism and job anxiety.

One of the problems that causes employee performance to decline is training. Based on the results of observations made by writers, it was found a description of the SOP training carried out by PT Alamjaya Wirasantosa Medan in 2021.

Table 1.2 Implementation of SOP training at PT Alamjaya Wirasentosa Medan during 2021

Training Month	Total Number of Employees	Training Participants	Percentage of Training Participants	Topic
February	78	77	98.72%	Organization, people, and business processes
April	78	73	93.59%	Hierarchical analysis in the decision-making system of a commercial company
June	78	70	89.74%	Designing marketing strategy and policy
August	78	68	87.18%	Design, compile and write company SOP
October	78	64	82.05%	Develop a structural or functional SOP drafting and revision team
December	78	58	74.36%	Develop mechanism for SOP socialization, trial, monitoring, revision, and ratification

Source: PT Alamjaya Wirasentosa Medan, 2022

From the table above, it can be seen that a decrease in the number of training participants allegedly caused employees to not be able to provide maximum results to the company. This problem is because, after attending the training, employees have not been able to complete a number of jobs that have been given by the leadership, so that employees cannot complete the work on time and after undergoing training, employees are still not able to improve the knowledge and skills of employees to doing work, so that employees feel unable provide the best results for the company. In addition, employees feel that all the equipment provided during the training process is not in accordance with the employee's latest training, so that employees often do not have high initiative in doing their work. And every time there is training, it is also found that there are instructors who do not understand the abilities of employees, so that employees cannot provide the best results according to their respective fields.

Another problem that causes employee performance to decline is the work environment. The work environment also certainly does not make employees able to improve employee performance, because at work there are conditions in the

workspace that are not yet cool, which can cause employees to feel stifled in carrying out their duties. In addition, not all workspaces are protected from noise when they want to complete work because employees work in one room, which results in employees not being optimal in completing their own work, and the lack of lighting in the workspace does not support the implementation of employee duties, so that employees cannot complete a number of targets set by the company.

From the description above, the researcher is interested in conducting research with the title **“The Effect of Training and Work Environment on Employee Performance at PT. Alamjaya Wirasentosa Medan”**.

1.2 Problem Limitation

In order to ensure that the research is more focused and that the discussion is made easier, the problem limitation technique is used to prevent irregularities or an expansion of the primary issue. This ensures that the research objectives will be met. Some limitations of the problems in this study are Training and Work Environment as independent variables (X) and Employee Performance as dependent variables (Y). According to Mangkunegara (2017), training indicators include Types of Training, Training Objectives, Materials, Methods Used, Participant Qualifications, Coach Qualification and Time (Number of Sessions). According to Afandi (2018) work environment indicators include Lighting, Color, Air and Sound. According to Hamali (2016), the employee performance indicators include Work Results, Knowledge of Work, Initiative, Mental Dexterity, Attitude

and Time Discipline and Attendance. The research was conducted in PT Alamjaya Wirasentosa Medan is located at Jl. Raya Medan - Tanjung Morawa KM.13.5 No.54, Tanjung Morawa, North Sumatra. The population and samples used are all employees who working at PT Alamjaya Wirasentosa Medan during 2022 amount 78 people.

1.3 Problem Formulation

Training and work environment are factors that can affect employee performance. Based on the background that the writers described above, the problem formulation in this research is as follows:

1. How is the Training at PT. Alamjaya Wirasentosa Medan?
2. How is the Work Environment at PT. Alamjaya Wirasentosa Medan?
3. How is the Employee Performance at PT. Alamjaya Wirasentosa Medan?
4. Does the Training have a partial effect on Employee Performance at PT. Alamjaya Wirasentosa Medan?
5. Does the Work Environment have a partial effect on Employee Performance at PT. Alamjaya Wirasentosa Medan?
6. Do the Training and Work Environment have a simultaneous effect on Employee Performance at PT. Alamjaya Wirasentosa Medan?

1.4 Objective of the Research

The objective of this research is:

1. To know how the Training at PT. Alamjaya Wirasentosa Medan.

2. To know how the Work Environment at PT. Alamjaya Wirasentosa Medan.
3. To know how the Employee Performance at PT. Alamjaya Wirasentosa Medan.
4. To explain how Training has a partial effect on Employee Performance at PT. Alamjaya Wirasentosa Medan.
5. To explain how Work Environment has a partial effect on Employee Performance at PT. Alamjaya Wirasentosa Medan.
6. To explain how Training and Work Environment have a simultaneous effect on Employee Performance at PT. Alamjaya Wirasentosa Medan.

1.5 Benefit of The Research

It is anticipated that this research will have direct and indirect benefits for education based on the research's goals. The following are some of the benefits of this study:

1.5.1 Theoretical Benefit

The following are the theoretical benefits of this research:

1. For the authors, this research can be used by the authors to learn more about how employee performance in the business world is affected by the relationship between training and the work environment.
2. For other researchers, the findings of this study can serve as a basis for future research on titles related to employee performance for other researchers.

3. For the University, it is hoped that it can be used to include references as material for future research at the university.

1.5.2 Practical Benefit

The practical benefits of this research consist of:

1. For PT Alamjaya Wirasentosa Medan, the results of this study can provide additional information and benefits for the company to be used as an illustration in determining the right steps in an effort to improve employee performance so that the company is able to carry out strategies related to training and improving the work environment.
2. For other consumer goods companies, this research can offer advice to management on how to improve employee performance in the future as well as on training and work environment for other consumer goods companies.