

# CHAPTER I

## INTRODUCTION

### 1.1. Background of the Study

This research was conducted in a public health clinic in the middle of busy town Medan which named Klinik Atlantis Medan. Klinik Atlantis Medan is a public clinic located in Medan City, North Sumatra. This clinic was established in 2020, is one of the new public clinics in Medan. Even though it is a newly established clinic, overall, this clinic has developed quite well in two years followed by its complete and modern medical facilities as well as their mission to provide the best services for its patients. Klinik Atlantis Medan also provides medical practitioners from general practitioners to specialists with years of experiences in various fields which then become Klinik Atlantis Medan competitive advantages. The performance of each human resource in it plays a big role in day-to-day operation at Klinik Atlantis Medan since the organization have the big responsibilities in providing the best health-care services for its local community as stated in the first paragraph of this study background. The reduction in employee discipline at the Klinik Atlantis Medan is a phenomenon that is evident in the daily rise in absenteeism among staff members. The following table displays the average employee attendance for the previous three months at Klinik Atlantis Medan based on pre-survey data that researchers conducted:

**Table 1. 1 Employee Attendance Average in Klinik Atlantis Medan**

<b>Month</b>	<b>Week 1</b>	<b>Week 2</b>	<b>Week 3</b>	<b>Week 4</b>
<b>May</b>	41.3	40.5	40.8	41.7
<b>June</b>	39.6	38.5	37.4	37.6
<b>July</b>	37.3	35.1	34.9	35.7

Source: Klinik Atlantis Medan (2022)

The presented data reveals that over the last three months, Klinik Atlantis Medan employees' average attendance has consistently fallen. A rise in absences suggests that the employee is not being penalized. Naturally, this situation will lower the quality of employee work and have an impact on how well Klinik Atlantis Medan serves its clients or patients.

In addition to absenteeism, staff tardiness was another issue that led to major disciplinary issues at the Klinik Atlantis Medan, according to the researcher's pre-survey. Employees at the Klinik Atlantis Medan came to the conclusion that, in accordance with the laws and regulations in effect from Monday to Sunday, business operations run round-the-clock. In other words, clinic is opening every day in one of three shifts (08.00-17.00, 13.00-22.00, and 22.00-08.00). Even still, the author's observations reveal that some employees continue to turn up late and stay over their scheduled time. Several workers began showing up for shift one (08.00–17.00) at 08.30 WIB, and some even showed up at 9.00 WIB. This is true for the middle shift as well (13:00–22:00); some staff show up only at 13:30 or 14:00. Of course, if things go out of control, this may become a problem.

Additionally, based on their findings, researchers discovered that Klinik Atlantis Medan frequently faced challenges with certain parts of its human resources. One of the Klinik Atlantis Medan employees said that the corporate leadership did not adequately inform and motivate staff, which had an effect on employee morale. In order to achieve performance employee, motivation becomes very crucial. Employees at the clinic experience a lack of leadership attention due to the low degree of monitoring provided by the top management. Employees with this condition are less inclined to be enthusiastic about their jobs.

One of the Klinik Atlantis Medan employees further said that despite the fact that monthly salary payments were always made on time, clinic staff members frequently voiced their dissatisfaction with the working environment and organizational culture. The lack of emotional intimacy among employees is the main barrier the organization faces in terms of human resources. This is because business owners do not make an effort to foster positive relationships with their staff, leaving simply the situation of bosses and subordinates.

Additionally, because of this, employee performance at the Klinik Atlantis Medan has declined during the last three months. Work assignments that are completed outside of the allotted time frame are indicative of this situation. Many of the firm's agenda items are not carried out in an ideal manner, which might cause a delay in the accomplishment of company objectives. The results of the evaluation that is conducted every three months reveal that employee performance is still subpar. If it persists, it is highly regrettable as data indicates that Klinik Atlantis Medan holds a 20% market share for the 24-hour clinic sector

in Medan City (Internal, 2022). Klinik Atlantis Medan has a great deal of potential to dominate its market in Medan, but this potential must be balanced with problem-solving from all management facets, including human resources.

The public health-care service is a component of the health service units that highly contributes in delivering integrated and comprehensive health services to those in need. Simply put, the public health-care service has authorities and responsibility for promoting public health in its operating area. It is the crucial function of the public health-care service in delivering health services to the surrounding community, motivating all stakeholders who involved in the public health-care units to always optimize and professionally enhance their service quality and performance. The performance of all an organization's workforce has a significant impact on its success. Especially, the human resource management, namely medical and non-medical employees in the organization, is one of the cornerstones that significantly promotes the delivery of appropriate healthcare services to the community (Suprapti et al., 2020).

Human resource management is a fundamental factor of success in rapid industrialization. Because of the high number of employees, an organization should consider how to best utilize and maximize the performance of the employees. The purpose of organization having maximum employee performance as one of their goals is to achieve optimal work productivity (Rachmaliya & Efendy, 2017). In line with the statement by Gridwichai et al. (2020) where employees are expected to deliver optimum performance throughout every task they have carried as part of the human resources who hold an important function

for the organization. Therefore, employees of an organization play a significant role in achieving a competitive advantage over competitors.

An organization's success is driven by the performance of its employees in delivering best services as well as in a cost and time effective manner for the organization, but also an organization will strive to increase employee performance in expectation to achieve the organizational goals. Performance is basically something that determines how much employees contribute as a part of the organization, including quantity and quality of the work done, timeliness, attendance, and cooperative behavior (Asbari, 2020).

Just the same as organizations, medical centers like any hospital or clinics also should be able to deliver services that fulfill the needs of its patients so that they can make their existence become customer's top-in-mind when it comes to the needs of medical services fields. And organizations will tend to improve its employee performance to support in achieving its organizational objectives.

One of the essential variables that proved to be able to increase the performance level of employees in organization is job satisfaction (Rahayu et al., 2018). Every employee in any organization expects to receive something that they think they deserved of. Their perceptions of the working environment, such as their feeling of satisfaction or dissatisfaction with the working environments, will influence their performance at work (Berliana et al., 2018). Job satisfaction is a psychological feature, where employees with a good satisfaction level towards their work will have an emotional connection with the organization they are working on and proudly take part in it, which leads to the increasing of high morale and

organizational integrity (Shaju & Subhashini, 2017) and vice versa. Research conducted by Al-Ali et al., (2019) and Sudiardhita et al., (2018) examine some variables including the influence of job satisfaction on employee performance where the result show that job satisfaction has a positive and significant impact on employee performance.

Work discipline is also the key to realizing organizational goals. Work discipline is a kind of employee consciousness in controlling themselves and regular assessment that illustrates the degree of seriousness of an organization's members. Good work discipline tends to refer to employees' feeling of accountability for the assignments that have been allocated to them. Discipline that is not rooted from the consciousness will be ineffective in results. Work discipline made for employees is intended to motivate employees to have the willing to obey standards and guidelines or norms that exist in an organization, in order to prevent workplace violations (Arenofsky, 2017). While according to the study by Razak et al., (2018) show the result that work discipline gives the greatest influence on employee performance than the other variables examined by the researchers.

Another key factors that might also influence employee performance is work motivation. Motivation is defined as the tendency to cause action that leads to the accomplishment of predetermined objectives (Krstic et al., 2018). While Edy (2009) in Hustia (2020) stated that Motivation is a factor that encourages someone to do a certain activity, therefore, motivation is often defined as a factor driving a person's behavior. In short, motivation is a change in energy in a person's personality which is characterized by the emergence of affection and reactions to

achieve goals. Saragih et al., (2020) mentioned that higher job satisfaction is the benefit in having motivated employees. Following the study by Pancasila et al., (2020) they stated that work motivation does have a significant positive effect on job performance. Where the result of this study is also supported by Haryono et al., (2020) where they claimed that motivation could lead to an increase in performance of employees.

Although there have been many empirical researches that showing work discipline and motivation can make a significant influence employee job satisfaction and performance, however, there are still several researches that generate contrast and inconsistent findings. Among which are the study by Widarto et al., (2022) where work discipline was found no significant and negatively affect employee performance. Also, in the study conducted by Adha et al., (2019) show the result that work motivation has no significant effect towards employee performance.

Nonetheless, an empirical study needs to be done in order to prove whether the variables of work discipline and work motivation, linked with the job satisfaction of employees can have effect in enhancing employee performance or not since the theory and facts from the previous studies, there are still gaps. Therefore, this research will be done with the purpose to fill the gap as well as to fill the writer's interest about the object of this study which is the employees of Klinik Atlantis Medan regarding the research variables.

Thus, based on the background study above, the writer is interested to conduct in-dept understanding and research with the title as follows **“The Effect of Work Discipline and Work Motivation on Employee Performance through the mediation of Job Satisfaction at Klinik Atlantis Medan”**.

## **1.2 Problem Limitation**

Based on some of the previous explanations and the problems that have been identified, the scope of this research should be limited for the purpose of focusing the research on the number of variables that have been identified. The writer will collect and gather the data of this research by distributing questionnaires only to the employees of the related organization namely employees that are working at Klinik Atlantis Medan but not including the main medical practitioners or doctors and also the directors of the organization, as the subject of this research starting from August 2022 to October 2022. By the reason of time limitation, this research study will be limited to “Work Discipline” and “Work Motivation” as the independent variables (X) while “Employee Performance” become the dependent variables (Y) and “Job Satisfaction” become the mediating variable (Y) at Klinik Atlantis Medan.

### 1.3 Problem Formulation

As the writer's objective is to identify the effect of Work Discipline and Work Motivation on Employee Performance through the Mediation of Job Satisfaction, so there are several problem formulations to be answered as follows:

1. Does Work Discipline have a significant effect on Job Satisfaction at Klinik Atlantis Medan?
2. Does Work Motivation have a significant effect on Job Satisfaction at Klinik Atlantis Medan?
3. Does Work Discipline have a significant effect on Employee Performance at Klinik Atlantis Medan?
4. Does Work Motivation have a significant effect on Employee Performance at Klinik Atlantis Medan?
5. Does Job Satisfaction have a significant effect on Employee Performance at Klinik Atlantis Medan?
6. Does Work Discipline have a significant effect on Employee Performance through Job Satisfaction at Klinik Atlantis Medan?
7. Does Work Motivation have a significant effect on Employee Performance through Job Satisfaction at Klinik Atlantis Medan?

#### **1.4 Objective of Research**

There are some objectives of the research to solve the problem which by follows:

1. To Identify the effect of Work Discipline on Job Satisfaction of the employees at Klinik Atlantis Medan
2. To Identify the effect of Work Motivation on Job Satisfaction of the employees at Klinik Atlantis Medan
3. To Identify the effect of Work Discipline on Employee Performance at Klinik Atlantis Medan
4. To Identify the effect of Work Motivation on Employee Performance at Klinik Atlantis Medan
5. To Identify the effect of Job Satisfaction on Employee Performance at Klinik Atlantis Medan
6. To Identify the effect of Work Discipline on Employee Performance through Job Satisfaction at Klinik Atlantis Medan
7. To Identify the effect of Work Motivation on Employee Performance through Job Satisfaction at Klinik Atlantis Medan

## **1.5 Benefit of the Research**

### **1.5.1 Theoretical Benefit**

To develop the understanding and provide information towards the impact of Work Discipline and Work Motivation on Employee Performance through Job Satisfaction as the mediating variable.

### **1.5.2 Practical Benefit**

The practical benefit of this research is as follows:

1. For the writer, to get knowledges of the influence of Work Discipline and Work Motivation on Employee Performance through the mediating variable of Job Satisfaction
2. For the Company, to get a better understanding and can use the result of this research to improve the Implementation of Work Discipline and enhancing Work Motivation to have a better Job Satisfaction of employees which leads to a better Employee Performance
3. For other research, this research study can be used as reference of information and sources in doing research related to Work Discipline, Work Motivation, Job Satisfaction and Employee Performance