

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The purpose of establishing a company is to maximize profits. And to achieve the company's goals, good human resource management is needed. Good human resource management is the key to the company's success in achieving its goals. Good management can produce quality human resources by establishing good employee performance and performance effectiveness within the company. Employees are a very valuable company asset that must be managed properly by the company in order to make an optimal contribution. One of the things that must be the main concern of the company is the performance of its employees. Because increasing employee performance has a positive impact on achieving company goals.

The potential for the development of the medical device industry in Indonesia continues to increase. The combination of Indonesian medical device and laboratory companies said that domestic medical devices are predicted to reach IDR 17 trillion in 2018 with an annual growth rate of 10%. However, the current challenge is that 90% of health products circulating in health facilities, both private and government owned, are imported products. Domestically produced medical devices include wheelchairs, patient beds, heart stem cells, anesthetic machines, needles and surgical threads. Observing the development of various medical device companies and the products they produce, it turns out that

equipment with industrial era 4.0 technology does indeed play an important role in handling public health, so it is not uncommon for us to still have to import it (<https://mahasiswaindonesia.id>, retrieved in 2022, December 06). This can also be seen in the table below which shows that the ratings of companies selling health equipment in Medan are quite high. The increasing development of demand for health equipment in recent years has made competition even tighter and has become crucial for PT Nusa Sarana Berkah to be able to improve employee performance.

Table 1.1 Lists Of Health Equipment's Company Ratings In Medan

No.	Company Name	Ratings	Main Product
1	PT Anugrah Centra Cipta Alkes	5.0	Health Equipment
2	PT Tirta Medical Indonesia	5.0	Health Equipment
3	PT Alexa Medika	5.0	Health Equipment
4	PT.Cakra Medika Antarnusa	5.0	Health Equipment
5	PT Nusa Sarana Berkah	4.9	Health Equipment

Source: [https:// bit.ly/3Y0QPBP](https://bit.ly/3Y0QPBP), [https:// bit.ly/3BmJ27t](https://bit.ly/3BmJ27t) , [https:// bit.ly/3h3Sx4J](https://bit.ly/3h3Sx4J),
<https://bit.ly/3UVtmPL>, retrieved in 2022, December 06

From the table above we can see that medical device companies have ratings that are not much different, namely in the range of 4.9 – 5.0. The company consists of PT Anugrah Centra Cipta Alkes with a rating of 5.0, PT Tirta Medical Indonesia with a rating of 5.0, PT Alexa Medika with a rating of 5.0, PT.Cakra Medika Antarnusa with a rating of 5.0, and PT Nusa Sarana Berkah with a rating of 4.9.

According to Zaharudin, Supriyadi & Wahyuningsih (2021, p.22), performance is the ability of a person or group of people in an organization to carry out their duties in an effort to achieve organizational goals. Employee performance is a very important factor for the progress of a company. Because

with good employee performance an organization can maintain its existence and support success in achieving the expected company goals. In connection with this, an organization should pay more attention to the performance of its employees, especially employees who have performance below the standards set by the organization concerned.

To create reliable human resources requires good management so that employee performance is more optimal. The achievement of company goals is influenced by the performance of the company's employees themselves. Therefore, the company needs human resources that have the potential and quality, both in terms of leaders and employees, in the pattern of tasks, responsibilities, and efficiency in accordance with regulations and supervision, which are the determinants of achieving company goals. However, creating quality employee performance is not easy because employee performance can be created if the influencing variables such as communication and promotion can run well within a company.

Communication is one factor that can have an impact on improving employee performance. According to Herlambang (2014, p.77), communication is the process of delivering news that contains meaning from one party to another in an effort to gain mutual understanding. Communication is very important for all company functions because operational and management systems are driven by communication. The company must be able to oversee the activities of employees while carrying out their duties. The purpose of communication itself is to equalize the perception or understanding between employees and superiors with their

employees. The quality of a company's management is judged by the way its employees communicate. Effective communication that exists can be shown by improving employee performance because it has succeeded in showing good cooperation.

According to Fahmi (2016, p.88), promotion is an increase in the position of an employee from his previous position to a higher position. Promotion has a very important meaning in the company, because with a promotion it means the stability of the company and the morale of the employees will be more guaranteed. Promotions will always be followed by tasks and responsibilities that are higher than the previously occupied positions. In general, promotions are also followed by an increase in income and other facilities. However, the promotion itself has value because it is evidence of recognition of the achievements of employees. Employees who get more opportunities for promotion will certainly provide encouragement for employees to improve their performance.

PT Nusa Sarana Berkah is a company engaged in selling dental medical equipment. The reason I chose PT Nusa Sarana Berkah is that this company, which has 42 employees, is expected to be able to serve as many customers who want to buy dental health equipment as possible. PT Nusa Sarana Berkah always develops to become a company that is not left behind with other competitors engaged in the same field, thus forcing the organization to always make changes. Facing this, PT Nusa Sarana Berkah must have a competitive advantage. One form that must be owned is the availability of human resources. This asset is an absolute thing that must be owned by the company because of how much capital

resources are owned, the use of medical devices, and the most popular medicines for human health. so that employees who are able to produce good performance will be able to make a major contribution towards carrying out the activities of an organization.

According to the writer's observations at PT Nusa Sarana Berkah, there are several factors that can affect employee performance, including communication and promotion. The problem that exists today is how to create human resources that can produce optimal performance so that company goals can be achieved. One of the reasons for the decline in employee performance is the absence of employees who arrive late and exceed their working hours. Therefore, it is necessary to get special attention from the company.

Table 1.2 Monthly Data of Employee Tardiness

No	Month/Year	Number of employees	Number of employees who are late	Percentage of employees who are late
1	January 2022	42	14	33.33%
2	February 2022	42	15	35.71%
3	March 2022	42	14	33.33%
4	April 2022	42	16	38.10%
5	May 2022	42	16	38.10%
6	June 2022	42	17	40.48%

Source : Prepared By Writer (PT Nusa Sarana Berkah, 2022)

It can be seen from the table above that, over the last six months, employee delays at work have increased by 40%. So it can be concluded that the majority of PT Nusa Sarana Berkah employees are on average late at work, so that most employees cannot complete the work targets that have been set by the company and also employees cannot show the best quality of work at work due to a lack of working time, so employees do not show optimal performance in the

company. The emergence of employee performance problems is caused by two factors, namely poor communication between employees at work and poor promotions by company management.

Based on observations at PT Nusa Sarana Berkah, researchers found communication problems that occurred where this can be seen in the data on the number of communication errors at PT Nusa Sarana Berkah during January–June 2022.

Table 1.3 Data on the Number of Communication Errors at PT Nusa Sarana Berkah January - June 2022

Month	Between Divisions / Positions	Number of Errors	Problem
January	Production Staff – Marketing	6	The submission of the wrong product price from the marketing department to consumers and the lack of responsiveness of employees to provide information
February	Warehouse Staff - Marketing	3	The marketing manager makes mistakes in meeting sales targets
March	Marketing Staff – Finance Staff	1	Mistakes in budgeting promotion costs
April	Marketing Manager – Marketing Staff	2	Error conveying product information
May	Warehouse Staff – Marketing Manager	7	Error in the product packaging process
June	Finance Staff – Finance Manager	3	There are no instructions from warehouse staff on conveying information on recording product availability Mistakes in preparing the 2022 sales report

Source : Prepared By Writer (PT Nusa Sarana Berkah, 2022)

Table 1.3 shows data on the number of communication errors at PT Nusa Sarana Berkah during January–June 2022. The highest number of errors in May was 7 that occurred between warehouse staff and marketing managers. And the smallest number of errors in March was 1 that occurred between Marketing Staff and Finance Staff. This is because the messages conveyed to employees have not

been accurate while working at PT Nusa Sarana Berkah where there was no previous communication between divisions so that there were many errors in carrying out the work, especially errors in submitting data such as errors from each division and employees not respecting opinions. Colleagues encounter difficulties at work so that at the staff and manager level, such as the marketing manager, miscommunication often occurs with the warehouse. departments and errors in providing sales area information by the marketing manager to the marketing division.

Based on observations, the researchers saw the problem of promotion. For more details, see the number of employees who received promotions at PT Nusa Sarana Berkah in 2018–2021.

Table 1.4 The Number Of Employees Who Have Been Promoted At PT Nusa Sarana Berkah In The Last Four Years

Year	Available job vacancies	Employee Application Promotion	A Realized Number of Employees Have Been Promoted
2018	5 people	2 people	5 people
2019	5 people	3 people	5 people
2020	6 people	3 people	6 people
2021	7 people	4 people	7 people

Source : Prepared By Writer (PT Nusa Sarana Berkah, 2022)

Based on these data it can be seen that in 2018 the number of employees who will be promoted based on available job vacancies is 5 people. Five people to be promoted have been registered based on predetermined criteria in the promotion implementation system. However, there was a request from the direct superior for a promotion of 2 employees, where the employee was not registered as an employee who was ready to be promoted, so that the realization of the implementation of employee promotions was 3 people based on the criteria in the

promotion implementation system and 2 people based on the request of the direct supervisor. Thus it can be seen that the decision making in implementing employee promotions is unfair or does not refer to the actual provisions in PT Nusa Sarana Berkah and there are frequent changes in employee decisions that have been determined to be promoted making it difficult to promote employees and cause disappointment for employees who are not promoted. The same thing happened in 2019–2021. From this explanation, it can happen because employees do not have a good level of proficiency and are less innovative to get a greater chance of promotion. Employee loyalty is also not a consideration in promotion activities at PT Nusa Sarana Berkah so that many employees do not prioritize work quality when carrying out work.

Based on description above, the writer want to conduct the research with title **“The Effect of Communication and Job Promotion on Employee Performance at PT Nusa Sarana Berkah”**.

1.2 Problem Limitation

The problem limitation is used to avoid irregularities or widening of the subject matter so that the research is more directed and facilitates the discussion so that the research objectives will be achieved. Due to limited time and ability, the writer set the limits on Communication and Job Promotion as independent variables (X) and Employee Performance as dependent variable (Y). Indicator Of Communication are Openness, Empathy, Support, Positive Attitude and Equality (Mukarom, 2020, p.76). According to Enny (2019, p.91) Indicators of employees

who can be promoted include Honesty, Discipline, Work Performance, Cooperation, Skills, Loyalty, Leadership, Communicative and Education. Yulianto (2020, p.8), said that there are five indicators used to measure the performance of an employee, these indicators include Quality, Quantity, Timeliness, Effectiveness and Self-Reliance. The research was conducted in PT Nusa Sarana Berkah. The population and samples used are all employees who working at PT Nusa Sarana Berkah during 2022.

1.3 Problem Formulation

To analyze whether how Communication and Job Promotion affect the employee performance at PT Nusa Sarana Berkah. Therefore, the writer formulates some research questions:

- a. How is the Communication employees at PT Nusa Sarana Berkah?
- b. How is the Job Promotion at PT Nusa Sarana Berkah?
- c. How is the employee performance at PT Nusa Sarana Berkah?
- d. Does the Communication has a partial effect on Employee Performance at PT Nusa Sarana Berkah?
- e. Does the Job Promotion has a partial effect on Employee Performance at PT Nusa Sarana Berkah?
- f. Do the Communication and Job Promotion has a simultaneous effect on Employee Performance at PT Nusa Sarana Berkah?

1.4 Objective of the Research

The objectives of this research are to determine of Communication and Job Promotion affect the employee performance at PT Nusa Sarana Berkah.

- a. To know the Communication employees at PT Nusa Sarana Berkah
- b. To know the Job Promotion at PT Nusa Sarana Berkah
- c. To evaluate employee performance at PT Nusa Sarana Berkah
- d. To analyze whether Communication has a partial effect on Employee Performance at PT Nusa Sarana Berkah
- e. To explain whether Job Promotion has a partial effect on Employee Performance at PT Nusa Sarana Berkah
- f. To investigate whether Communication and Job Promotion has a simultaneous effect on Employee Performance at PT Nusa Sarana Berkah

1.5 Benefit of The Research

Based on the objectives of the research to be achieved, this research is expected to have benefits in education both directly and indirectly. The benefits of this research are as follows :

1.5.1 Theoretical Benefit

The theoretical benefits of this research are:

- a. For the writer, this research is expected to increase and deepen knowledge in the field of human capital investment in connection with the effect of

communication and promotion on employee performance so that it can be applied in the world of work.

- b. For other writer, the results of this study are expected to be useful as comparison material and input and consideration for conducting research in the future.
- c. For Pelita Harapan University, as reference material and additional data to conduct further research related to human capital investment.

1.5.2 Practical Benefit

The Practical benefits of this research are:

- a. For PT Nusa Sarana Berkah, the results of this study are expected to be useful as input and additional information that can be considered in taking and determining a leadership policy, such as a good commitment to creating a harmonious working atmosphere and being able to apply and understand what must be done to improve performance. employees who will be employed at PT Nusa Sarana Berkah.
- b. For other medical equipment distributor companies, this research can provide input into good human capital management by providing input on how much the relationship between communication and job promotion is in improving employee performance.