CHAPTER I

INTRODUCTION

1.1 Background

In the era of globalization, new and current industries have been growing rapidly around the world. A modern world where technology and innovation thrive pressuring constant changes in society, development and even the economy. The recent pandemic has created a new level of instability around the world. This has caused Volatility, Uncertainty, Complexity, and Ambiguity (VUCA) among all industries. Thus, in this case, a firm requires to advance further in the development of its organization. An organization is defined as an organized body of people with a particular purpose especially, in business. Thus, managing an organized body of people requires a Human Resources (HR) department. Human resources in a company help to provide a general sense of direction where the company is directed, where the function to plan, organize, mobilize, control, procure, develop, compensate, integrate, maintain, discipline and terminate company needs (Tanjung, 2020).

Companies not only have been trying to survive in the market but also aim to be the market leader in an industry. As today's market has changed along with the advancement of technologies, the company hopes to gain larger market shares in the market, seizing the opportunities before the further entrance of competitors. Companies are too facing difficulties to gain competitive advantage as today's advancement of technology or knowledge has made accessibility easier for others to compete. Numerous ways have been

done by increasing the value of their products and even the competencies of the companies to produce such unique values. One of the unique values of a company lies in the human capital. It is the employee's knowledge, capability, and other attributes that have value to the company (Snell & Morris, 2018). As a result, companies can sustain themselves for a longer period.

Adapting to such a situation requires a higher set of skills that allows business owners or managers and even employees to fit right into it. Lack of training provided by a company will hinder and delay the improvement of employees' performance (Diliantari & Dewi, 2019). Companies are finding a way to create a new agile and learning organization that allows such changes in the environment or industry. There are various ways that a company can apply to create such an adaptive culture in the company just to cope with the changes such as to provide adequate and effective training, changes in the leadership style, etc (Alsaadat, 2019). Every company is required to provide training to the employees to produce such results that align with the company's core values. Thus, the Human Resources (HR) department comes into play. Individuals will improve their skills and knowledge in the company by investing in human capital (Stofkova & Sukalova, 2020). In addition, good human capital in a company needs a sense of direction in which a manager needs to play a part in navigating the company. A leadership style should adapt to the degree that the company needs to align with the environment.

1.1.1 Company Background

PT. Oto Makmur Gemilang is an Indonesian company established in 2014 and located in the Cikupa industrial area. The company manufactures custom automation machinery that enhances production aligning with the era of Industry 4.0. Furthermore, the company has a vision of enabling the next generation of production in the domestic market. Currently, the company employs 142 permanent employees. Efforts have been made to improve employee performance over the years but struggle to deliver higher results of employee performance. The company's human resources lie heavily on the lower level.

1.2 Research Hypothesis

From the research background, it can be concluded that the purpose of this research are to understand:

1. Does training affect employee performance?
2. Does delegating leadership affect employee performance?
3. Does the workplace environment affect employee performance?
4. Does motivation affect employee performance?
5. Does compensation affect employee performance?

1.3 Research Purpose

From the hypothesis proposed, it can be concluded that the research purpose are to understand:

1. To understand the effect of training on employee performance.

2. To understand the effect of delegating leadership on employee performance.

3. To understand the effect of the workplace environment on employee performance.

4. To understand the effect of motivation on employee performance.

5. To understand the effect of compensation on employee performance.

1.4 Research

1.4.1 Theoretical Benefits

With this research conducted, the author hopes to provide further knowledge and references in the future studies of political science. Moreover, inputting further understanding of variables researched, training, delegating leadership, motivation, workplace environment and compensation.

1.4.2 Practical Use

With this research conducted, the author hopes to provide further knowledge and management understanding in the company or similar industries.

1.5 Writing Systematic

1.5.1 CHAPTER I : INTRODUCTION

This chapter will cover broad understanding and information on the background of the research, problematic formulation, research purpose, and the benefits of the research.

1.5.2 CHAPTER II : LITERATURE REVIEW

This chapter will cover the theoretical foundation to provide an adequate amount of understanding and guidelines to conduct this research. The theoretical foundations covered in this research are training, delegating leadership, motivation, workplace environment and compensation. Moreover, research hypotheses and models will also be provided in this chapter.

1.5.3 CHAPTER III : RESEARCH METHOD

This chapter will further explain the identification of the variables, definitions of the researched variables, research subject, data collection method, validity and reliability of the variables, research procedure and the data analysis method.

1.5.4 CHAPTER IV : RESULTS AND DISCUSSIONS

This chapter will provide the research's subject information, research analysis and research result analysis.

1.5.5 CHAPTER V : SUMMARY AND SUGGESTIONS

This chapter will provide a summary and suggestions of this research.