

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Background of The Study**

The human resources play very important role in an organization and a company. One of the key factor for an organization or a company to grow and develop is the efficiency of human labor. Optimizing excellence in work force of human resources in an organization or a company means that the work flow are efficient and effective. Additionally, this will add value to the company and its survivability in the competitive environment. Therefore, it's compulsory for a company to have qualified human resources to help the company to achieve its goals. Human resources plays a key role in developing, reinforcing and changing the culture of an organization (Widianingrum, 2015).

PT Capella Dinamik Nusantara Medan is a family business that handled by third generation now. It also a company that engaged in Honda motorcycles and spare parts in Medan. Since November 1986, PT Capella Dinamik Nusantara Medan has provided quality services that are based on conduct regulations in order to fulfil customers' expectation. The products provided are in several of brands that are different in types, qualities and prices. The Vision of PT Capella Dinamik Nusantara Medan is to become the local market leader for its product distribution, sales and after sales services that met the customer satisfaction. The mission of PT Capella Dinamik Nusantara Medan is to provide the best service

quality to achieve customer satisfaction and continuous improvement in its service.

As stated by Hamali (2017), career development aims to train new employees to rapidly obtain the skills needed at work and efficiently. The aim of career development is to develop the capabilities of existing staff so that current performance is improved and employees can exceed the demanded expectation. PT Capella Dinamik Nusantara provides opportunities for employees to work in their organizations. Additionally, employee career development are given to employees in their each respective positions according to their abilities and expertise. When an employees are able to have a good career in the company, they tend work harder and provide higher working performance. These motivated employees to be more willing to go an extra miles in order to learn and improve. This will enhance their knowledge, skills and attitudes that helps in completing company tasks.

Human resource management in the company PT Capella Dinamik Nusantara Medan holds key factors to ensure survivability in competition. Human resources competent in their fields supported by existing resources and providing high motivation in terms of employee career development that can encourage employees to have good work performance in the company that will benefit company to achieving its goals. Based on observations and interviews with several employees, the writer concluded that there was a decline in employees' performance which can be seen from the work of employees that constantly make mistakes that could harm the company. Such examples were errors in financial records and miscalculation of the amount of cash. Thus, employees do not take the initiative and careless in carrying out their work and resulted in delays.

**Table 1.1**  
**Data of Employee Performance at PT Capella Dinamik Nusantara Medan**

<b>2019</b>				
<b>Grade</b>	<b>Term 1</b>	<b>Term 2</b>	<b>Average</b>	<b>Percentage</b>
A	41	39	40	20.73%
B	117	128	122.5	63.47%
C	35	26	30.5	15.80%
D	0	0	0	0%

Source: Prepared by the writer (2020)

The table above shows the recap of the employees' performance at PT Capella Dinamik Nusantara in 2019. We can see that 20.73% of employees received a Grade A (Good Rating), 63.47% or more than half of the total number of employees received a Grade B (Satisfactory Rating) and 15.80% of employees received a Grade C (Normal Rating) which means that employees work performance are just enough but they are not included as employees that performed well in the company. One of the problems that are affecting the work performance of the employees is the low career development program.

Career development implementation is necessary for companies because career development program is oriented to future business challenges facing competitors. Career development has a future impacts on human resources and career development should be implemented annually and like any others activities.

PT Capella Dinamik Nusantara Medan does not provide opportunities for employees to pursue a career within their organization. The company paying less attention to employee career levels and promotion are rarely carried out. Promotion will be carried out by the company when there is an employee that has resigned or fired and the company would promote existing employees to take on

the position or rehire. The writer believes that the existence of career development within the company will be able to encourage previous employees to achieve better work performance. The writer also believes that there will be an endless cycle of employees entering and leaving the company if career development is not implemented. In addition, career development can also be carried out with the training and development of employees.

From the description that has been there before, it encourages researchers to discuss in the thesis under the final paper **"The Influence of Career Development towards Employees' Performance at PT Capella Dinamik Nusantara Medan"**

## **1.2 Problem Limitation**

Due to the limitation of writer's knowledge, findings, time and budget, this research will be discussing only on the Career Development as the independent variable (with indicators attitude, experience, education, and achievement) and its influence on Employee Performance as the dependent variable (with indicators job result, job knowledge, initiative, mental quickness, manner, and discipline) at PT Capella Dinamik Nusantara Medan that is located in Jl. Sekip Baru No. 3-5. This study is conducted from the period of 10<sup>th</sup> January 2020 to 29<sup>th</sup> May 2020. The data will be collected by giving a questionnaire to some randomly selected person in each department where this method is called the simple random sampling method and the data will be analyzed with simple linear regression using the SPSS application version 25.

### **1.3 Problem Formulation**

Based on the observation that is done by the writer during the research at PT Capella Dinamik Nusantara Medan, the writer finds several problems being faced, which are:

- a. How is the application of career development in the company PT Capella Dinamik Nusantara Medan?
- b. How to encourage employee performance improvement at PT Capella Dinamik Nusantara Medan?
- c. Is there an influence on career development in the company today at PT Capella Dinamik Nusantara Medan?

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

The objectives of the research are as follows:

- a. To explain career development within the company PT Capella Dinamik Nusantara Medan.
- b. To improve employee performance at PT Capella Dinamik Nusantara Medan.
- c. To test and determine the influence of career development on employee performance at PT Capella Dinamik Nusantara Medan.

### **1.5 Benefit of the Research**

This research will help PT Capella Dinamik Nusantara Medan to understand the importance of career development in a company and how to further motivate its employees.

### 1.5.1 Theoretical Benefit

The research can help student to better understand the problem that the company is facing and how it might solve the company's problem. These could allow researchers to achieve their academic mission.

### 1.5.2 Practical Benefit

a. Writer

The research can help the writer understand the further theories that are taught in university that can be implemented and the reality in the career development.

b. Company

This research can help to aid the company to motivate employees and reach their potential growth.

c. Future Researchers

This information can as knowledge for future researchers to inspire them and help in difficulties of their studies.

