

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Background of the Study**

Along with the development of the times, the problems faced by organizations increasingly complex. Every organization faced with complicated conditions demands the organization to empower all components HR. Job promotion is one way to utilize human resources in order to be efficient. The human factor recognized as a main factor in each organization. Despite technological developments now growing rapidly, but human factor still plays a role important in it. Therefore, if human administration and arrangement are not well noted then achievement of organizational goals will undoubtedly disrupt.

With the promotion target, employee will feel value, cared for, needed and recognized work ability by superiors so they will produce high output. Job promotion is done for optimize human resources which owned by the organization, besides promotion of position aims to regenerate resources humans in the organization for the sake of survival the organization. Job promotion is a means that can encourage employees for better and more excited about doing something work in an organizational environment. There are promotional opportunities that are given by the company to the party employees will thus be created a desire from employees for motivate himself. Larger promotions can be seen instead alone will increase income but as a tribute to ability which is increasing so to him can be given authority and responsibility greater and wider responsibility, which is in turn can increase motivation employee work which also adds inner satisfaction. Promotion is when an employee is transferred from one

job to another job responsibility the answer is bigger, the level is deep higher office hierarchy and even higher income.

Goal of promotion is to give satisfaction and recognition of work so far done by employees. Promotion position has a relationship with performance because promotion provides an important role for every employee. It even becomes dreams and goals those are always expected. Every employee tries to give the best performance for the company with the hope that that performance generated as expected by company, so employees get reward in the form of promotion. In making promotional decisions, various considerations needed. If there is a wrong decision in carry out a promotion, then it will cause side effects that are not good for employees and the company, all of which will result in decreased work motivation so the company hopes for increase productivity will not reached. For no negative impact above the leadership of the company should in evaluating employees to be promoted is subjective maybe based on standards that have been set. In order to get promotion, an employee must have good work performance values, work discipline high, enough work experience, and high dedication and loyalty towards the company. For that, company must be able to place its employees the right to occupy that position also right, in accordance with the principle of “The Right Man on the right place”. The company will get and place employees who really do able to carry out tasks and its responsibilities. If these conditions occur in the implementation, the tendency for dissatisfaction over decisions taken by the company can decrease. It is because decisions made the company deemed appropriate.

Human resources are the main components in an organization that are active planners and actors in every activity of the organization. The strength of an organization lies in its people, not its system, technology, procedures or source of funds. High quality human resources will produce high performance for the organization. Performance is the quality and quantity of work of individuals or groups within the organization in carrying out the main tasks and functions guided by the norms, operational standards, procedures, criteria and measurements that have been set or applicable in the organization. Performance is very important because it involves the level of achievement of the implementation of an activity in realizing the vision and mission of the organization. The performance of employees as human resources in a company has a very important role. Every company will always try to improve the performance of its employees with the expectation that company goals can be achieved.

PT. Maju Ika Jaya, Medan was established in Medan in 1989. The company founded to build a partnership, has a good reputation in terms of service and business travel efficiency. By providing individual and group services with regular and high-quality specialization programs, this company became one of the family businesses that consist of two families in investing their capital and operating it by their children. By publishing this, PT. Maju Ika Jaya, Medan trying to meet the information needs. PT. Maju Ika Jaya, Medan provides tourism travel information along with the provision of facilities, where there are always developments regarding tourism information. Supported by various networks that can be contacted, PT. Maju Ika Jaya, Medan provides comprehensive products and provides the best service. Especially for companies in providing travel and

tourism services supported by professional management who are united in quality services and information technology that is "up to date" so as to maximize our efforts to achieve targets and goals to provide flexible services in accordance with the requests or desires of consumers or customers either individually or in groups.

Based on a preliminary survey of the grade in its performance, the employees' performance and the results of work completion are often completed in a timely manner. Financial reports submitted to superiors often exceed the time set by superiors, ticket sales reports submitted above the 03<sup>rd</sup> day in terms of rules. The company determines it was supposed to finish on 01<sup>st</sup> day, the tour sales report submitted above the 02<sup>nd</sup> day on the case the company rules stipulated was supposed to finish on 01<sup>st</sup> day. Some of these reports were most often late in completion.

**Table 1.1**  
**Data of Employees Performance**  
**2019**

2019				
Grade	Term1	Term2	Average	Percentage
A	9	8	8.5	24.29%
B	21	23	22	62.86%
C	5	4	4.5	12.85%
D	0	0	0	0%

Sources: Prepared by the writer (2020)

From the above recapitulation table of employee performance in 2019, we can see that from the terms, more than 24% of employees got very good ratings, and 62.86% of employees got good ratings. The problem is, there is also almost 12% of the employees who got a C grades which means their work performance is just enough, but they are not counted as employees who can perform well in the

company. One of the problems that affect their performance to be this low is job promotion.

Job promotion system that is not implemented properly causes employees to be less enthusiastic in improving their performance in the company PT. Maju Ika Jaya Medan. Job promotion system taken criteria are employees who can be used in excess of work targets and quickly in employee work plans, Employees who excel at work, employees who are involved and disciplined in relation to related companies, employees who require a minimum length of service in the company 3 years reflecting high employee loyalty to the company. For this reason, it is necessary to have the core implemented well in order to encourage the spirit to improve its performance in order to get promotion in the company. However, at the time the training was not going well and precisely. The company can only use the old work criteria as a reference for employees who are promoted. This causes employees who have long years of service to show a higher and better level of loyalty in the right and right job. The promotion system in this company is only based on seniority or length of work although it does not have high performance. Many complaints from employees where employees who are diligent and achievers have not received promotion. Many employees have good working skills but they are not recommended by superiors to obtain promotion so that many employees are disappointed so that they have less than optimal. In this company, employees are required to work optimally. For this reason, adequate education is needed. In this company, employees, who have the ability but have not been supported by education, is minimized in certain positions such as sales managers who must have a minimum of S1 management but in practice most



employees have high school education levels so that is hindered for employees who have the ability even a high level of loyalty which is reflected in the length of time work but hindered because of education that does not fit the criteria. This makes that the employees' carrying out their work in appraisal employees.

Realizing the important role of job performance in the company raises the writer's desire to conduct research at PT. Maju Ika Jaya, Medan. As the writer is working with this company, it is much easier to obtain data and conduct research in this company. This research aims for the writing of dissertation "The influence of job promotion on employees' performance at PT. Maju Ika Jaya, Medan."

## **1.2 Problem Limitation**

Due to limitation of time and budget, this research will be limited on the discussion about the relation of job promotion towards the employees' performance at PT. Maju Ika Jaya Medan. This research is also limited based on researcher's knowledge and findings. It is also limited to PT. Maju Ika Jaya Medan located at Jl. M.H. Thamrin No. 141, Medan.

According to Priansa (2016, p.257), promotion of positions in an organization is based on a number of aspects including taking into account factors, such as performance and work performance, seniority, experience, and competence.

According to Moeheriono (2016, p.78), in general the size of performance indicators can be grouped into six categories. However, certain organizations can develop each category according to its mission, such as effective, efficient, quality, timeliness, productivity, and safety.

### **1.3 Problem Formulation**

Based on the observation done by the writer during the research at PT. Maju Ika Jaya Medan, the writer finds several problems faced, which are:

1. How is job promotion an important factor at PT Maju Ika Jaya, Medan?
2. How is the condition of employees' performance at PT Maju Ika Jaya, Medan?
3. Does job promotion influence employees' performance at PT. Maju Ika Jaya Medan?

### **1.4 OBJECTIVE OF THE RESEARCH**

The objectives of the research are as follows:

1. To know the influence of job promotion on employees' performance at PT Maju Ika Jaya, Medan
2. To determine good criteria in order to an influence the performance of employees at PT. Maju Ika Jaya, Medan
3. To get insight into job promotions within the company

### **1.5 Benefit of Research**

From doing this research, the company will know how PT. Maju Ika Jaya, Medan worker give their best performance. If the worker can give the best, so the performance of worker or service will be better.

#### **1.5.1 Theoretical Benefit**

The research on the management can help student to better understand the problem that the company is facing and this information might solve the company's problem and allow researchers to achieve their academic mission.

### **1.5.2 Practical Benefit**

a. Writer

The research can help the writer understand the further theories taught in university and the reality in the working environment.

b. Company

This research can be a successful aid for to 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.

