

CHAPTER I

INTRODUCTION

1.1 Background of the Study

All organizations want to be successful, even in the current highly competitive environment. The achievement of organizational goals depends to the greatest extent on different resources, and human resource is believed to be a major resource directly related to the attainment of organizational goals. Organization today can easily change its material, needs, goods and services to another organization, or to other countries. Yet, human resources are the only commodity that is not readily exchangeable. Therefore, human resources are any organization's most competitive assets that cannot be exchanged. Human resources or human capital mean any organization's staffs or the employee. Therefore, regardless of the size and sector businesses aim to inspire their best employees, acknowledging their important role and impact on the success of the company (Zameer, et. al, 2017)

Motivation is factor of human resources that is believed to play an important role in the success of any organization. All organizations encounters the matter of motivation whether they are in the public or private sector. Employee motivation is very important for organizations, according to Ibrahim & Brobbey (2015), as each concern requires physical, financial and human resources to achieve the goals. It is by inspiration that human resources can be made the best use of which can be done by building willingness of employees to work hard. This will help the business makes the best use of capital possible and the effects

are increased performance, higher operating costs and improved overall efficiency. Goals can be achieved if there is mutual teamwork and collaboration that motivation can effectively accomplish. The expertise and productivity of employers will always help employers and workers alike. As the result, it will create a good public image on the market that attracts competent and skilled people to a concern (Huang, 2015).

According to Dwibedi (2017):

Recognition and empowerment play an essential part in enhancing employee motivation towards organizational tasks. By appreciating the employees for their work done and giving them participation in decision making, internally satisfies them with their job, organization and organizational environment. Thus their enthusiasm and motivation towards accomplishment of tasks increases (p.29).

Basically, employee performance will improve when they are highly motivated. It is a concern of every business because it determines whether the business is achieving its goals and objectives. A number of resources are required for a company to thrive and achieve its goals including the human resource or employees. Nevertheless, the desired outcomes may not be obtained by skilled and talented employees if they are lack of motivation and thus, motivation is often considered as an important attribute that is critical in achieving the goals of a company. Because lack of motivation, employees will not give their best to the organization as they will allocate their time to other non-work related activities such as long lunch hours, or browsing the internet for non-work related purposes. Organizations should establish a good and constructive relationship with their employees in order to enhance performance and lead them towards task fulfillment (Shahzadi & Javed, 2014).

Organizations need to develop strategies to succeed and increase their

performance in highly competitive markets. If employees are not satisfied with their work and are not motivated to accomplish their tasks and achieve their targets, they will not be able to attain success of the organization. According to Albeiti (2015), the performance of employees has to be the priority for any organization because it determines whether the organization achieve its goals and objectives. Today, people must understand why they are working hard. Every individual is driven by a specific way in an organization. It becomes the duty for a workplace manager to get things done through employees. The manager should be able to motivate and inspire their employees to do so (Chepkemoi, 2018).

PT. Pioneer Glassindo Utama, Medan is a family business which engaged in the field of glass and nako dealers who works with the company Asahimas Flat Glass and Frame Nako Dicky Niki. The company was established on May 12th, 2003 and it is the first generation. As it is the first generation, the family participates in helping the process of the business, giving some advices and ideas, making decision and recruiting compatible employees. The company is located at *Jalan Orde Baru Medan – Binjai Km 12.5, Medan Sunggal.*

Currently the company is facing problem as the employees are less motivated in doing their works which results in employees' performance and it becomes less effective. Mental and physic state of employees are very important things to be concern for the organization, because mental and physic state of employees have reciprocal relationship with employees' performance. The decrease of motivation can be seen from employees' absence. The company's employees' absence can be seen from table 1.1.

Table 1.1 The Absence of Total Employees in PT. Pioneer Glassindo Utama, Medan in 6 Months

Month	Total Employees' Absence Per Month
June	28
July	31
August	35
September	39
October	42
November	47

Source: PT. Pioneer Glassindo Utama, Medan (2019)

From the table 1.1, it shows that there was an increase in employees' absence from June to November 2019. The company tolerates each employee to absent 2 times every month but it turns out that some employees absent for more than 2 times in a month. As employees' absence become higher per month, this implies that employees' performance will also be affected which leads to organization's goal is difficult to achieved. This problems impact on the sales of the business and needed to be solve before it getting worse. As employees' absence become higher per month, this implies that employees' performance will also be affected which leads to organization's goal is difficult to achieved.

To find out what is the cause of the main problem, the writer also conducts preliminary interview with 3 employees. The first employee with initial "K" stated that there is no chance to make decision in the working process and that holding him back to finish his tasks. This result in lack of motivation and it can be seen from employees' absence. Meanwhile, another employee with initial "M" mentioned that the leader are very nice but she didn't have any good relationship with other workers as some other employees tend to intimidate her and it made her uncomfortable in working. Another problem faced by "J" where he has been working for some years where he has good relation with other colleagues but he hasn't get any promotion from the company. From here, the writer can imply that

this situation will lead to decrease in employee motivation. In addition, the writer also does observation in PT. Pioneer Glassindo Utama Medan that most employee has problems such as no reward when employee achieve their target, lacks of leadership, and employee involvement in decision making process.

Realizing the importance of motivation for a company to improve employee performance, the writer decides to conduct a research entitled **“The Influence of Motivation Towards Employee Performance at PT. Pioneer Glassindo Utama, Medan”**

1.2 Problem Limitation

Based on the context of the above research, due to time and budget, the research will be limited. The writer will focus on the variable of motivation and employees' performance variables at PT. Pioneer Glassindo Utama, Medan from December 2019 to May 2020. Research will be based on the indicators of motivation such as need for achievement, need for affiliation, need for power (Hernanda & Mukzam, 2018) and employee performance variables with the indicator such as number of jobs, quality of work, timeliness in doing it, attendance, and ability to work together (Edward & Susanti, 2019). The target of this research will be the employees of PT. Pioneer Glassindo Utama, Medan.

1.3 Problems Formulation

Based on the background study, the writer is interested to do research on motivation and its influence on employee performance by asking the following research questions:

1. How is motivation practice at PT. Pioneer Glassindo Utama, Medan?
2. How is employee performance at PT. Pioneer Glassindo Utama, Medan?
3. Does motivation have influence towards employee performance at PT. Pioneer Glassindo Utama, Medan?

1.4 Objectives of the Research

The objectives of this study are as follows:

1. To describe about the importance of motivation at PT. Pioneer Glassindo Utama, Medan.
2. To evaluate the employee performance of PT. Pioneer Glassindo Utama, Medan.
3. To investigate whether motivation has influence towards employee performance at PT. Pioneer Glassindo Utama, Medan.

1.5 Benefit of the Research

This research is expected to provide some benefits either theoretically or practically as follows:

1.5.1 Theoretical Benefit

This research uses the theory of motivation and employee performance. It is hoped that after finishing this research, there will be contribution on the theory that can contribute to the development of management theory, especially on motivation and family business. The writer hopes that this research will become a benchmark for other researches.

1.5.2 Practical Benefit

The following are the practical benefits from this research:

1. For the writer, this research could broaden knowledge; give more experience about Motivation and Employee Performance in real-life settings and can identify whether motivation has impact towards employee performance.
2. For the company itself, this research could give solutions on how to improve, and gain insight on the effect of motivation toward employee performance of which may increase the sales of the company and for development on the company itself.
3. For other researchers, this research can be use by employees and industry for their improvement in which, they know how to improve their motivation and company itself understand what can support their performance area.

