

CHAPTER I

INTRODUCTION

1.1. Background of the Study

As time goes by, the nature of competition among businesses is very challenging. To be able to compete against the challenges and remain competitive in the global market economy, all inputs of the companies, starting from men (human resources), machines, and materials must be managed wisely. A company can remain competitive if it has the resources to build a better company. Obviously, the resources that can be used in achieving the objectives of management which are men, money, methods, machines and market. These are managed by a reliable human resource and well-organized management systems where the role of Human Resource becomes significant since managing employees demands skillful handling of thoughts, feelings and emotions to produce the highest productivity employee. The success of a company lies in how well the company manages the human resources (HR), starting from the earliest stages of recruitment, selection, hiring, training and development, employee remuneration and benefits administration, performance management and employee relations. Even managing work facilities in term of sophisticated machinery and equipment are also included.

The employees are human resources and an asset owned by the company. The function of every employee with their character and competency is expected to contribute in the company's goals, as work facilities such as machinery and equipment requires labor as the operator. In fact, company mostly is not just expecting employees who are able

competent and skilled in their work, nevertheless their eagerness to work hard to achieve optimal result is also expected.

Motivation derives from the interaction of both conscious and unconscious such as the incentive or reward value of the goal, the intensity of desire or need, and expectations of the individuals and of his or her peers. These factors make the employees behave in a certain way. For example, an employee comes earlier to work to get a reward as the most disciplined employee. Motivation essentially drives every member in carrying out his/her activities, because it can encourage a person to perform maximally. Motivation is an internal state that causes people to behave in a way to accomplish goals and purposes. Motivation plays an important role in companies as it is related to ability and capacity that an employee has which is also influenced by the work environment to achieve the company's goal. Motivation pertains to all aspects of behavior, action and intention to act. To be motivated means to be moved to something. (Ryan and Deci, 2000;Kian & Yusoff, 2015)

According to Victor H.Vroom (as cited in Ramandanty and Martinus ,2016) stressed people's motivation to do something will depend on the value of efforts and goals and their belief that the effort will actually help them to achieve the goals. Work motivation is a condition and energy that drives self-directed or directed employees to give their best out in terms of their commitment in working to achieve goals of the company (*Mangkunegara, 2005: Humaniora, 2016*).

PT Benua Penta Global is engaged in Food and Beverages that was established on June 20, 2010. There are several brand under PT Benua Penta Global, such as : *Uncle K, X.O. Medan Suki, Crazy Crab, and Chop Buntut Cak Yo* whose several of the ingredients procurement are from overseas to serve good food with high-quality ingredient. The company has a head office, located at Jalan Kejaksaan No.137/A, Medan and a production and warehouse at Jalan Padang Golf Komp. CBD Polonia No.62-63, Medan. In the company's operation there are 13 division and 69 back-office employees, while there are approximately 254 outlet employees.

The company requires employees that have commitment and work motivation in performing the job with the optimal result and work for long time period in the company. However, the lack of motivation was expressed the employees of PT Benua Penta Global through the number of outlet employees that come late and on time, as attached below :

Table 1.1 The Number of Employees that come on time and late on Nov 2018, Dec 2018, & January 2019

Period	The number of employees	
	Late	On Time
November 2018	17	52
December 2018	20	49
January 2019	21	48

Source: HRD Department of PT Benua Penta Global (2019)

From table above, there is an increasing of the number of employees that come late to work, even though there is a 'Wage Cut' policy from times to times. This situation shows that there is a decreasing of employee motivation. According to previous research done by Rukmana, et al. (2018), employee motivation can be influenced by several things, one of them is communication within the company. If employees feel that management communicates in an efficient manner, it motivates them to perform better and develop team spirit is very important for the smooth functioning of the organization.

According to Ryan and Deci (2000) in Owoyele (2017), Motivation is composed by two important factors, intrinsic factors and extrinsic factors. Intrinsic factors refer to empowerment and autonomy, rewards and recognition, fairness of treatment, trust and opportunities for personal development. Extrinsic motivation refers to tangible reward, for example monetary compensation or salaries, good leadership relations, job security and the nature of the job.

Availability of good communication and effective dissemination of information as between employer and employee as the factor of extrinsic motivation is a key component for the increase and decrease in employee motivation. Supporting that statement, Muchlas (2014: 274) explained, communication also raised the motivation by explaining to the employee the things they need to do, how they need to do, and things that can be done to boost their performance.

Aside from that, communication is the main factor to increase work motivation by which employees will be able to work passionately so they can perform well. The same thing happens when the leader does not pay attention to his subordinates, then the employees will less motivated since the leader give less attention to them. For that reason, a mutual relationship is needed between superiors and its subordinates.

In this situation, communication is very indispensable in the implementation of work and the developing employee behavior as motivation for employees to work, so that the process of achieving the goal can be done effectively and efficiently.

Communication is a primary activity in human life whereby human can interact with each other in their society such as at the workplace, marketplace and wherever they are. In an organization for example, a system is needed to support the performance of the organization. Communication as a process to deliver the signal that operates according to rules by which a system can be established, maintained and altered. Achieving the organizational goals requires a good collaboration between all the components where it can be occurred when there is a similarity of perception about the objectives achieved. For that reasons, the role of communication is important to create a conducive working environment in achieving the organizational goals. Communication will give a clear explanation and description about the job that trigger employee's responsibility and work motivation, whereas without communication employee will be not responsible to her/his action and will be not motivated. The harmonic cooperation within the organization is expected to strengthen employee motivation by which communication is related to the whole process of developing human behavior in the organization.

Having productive employee is important either for PT Benua Penta Global or another company, but it is not as easy as it sounds. The management of the organization need to be able to improve employee motivation which concern not only disciplinary, responsibility, cooperation within employees, but also the communication skills. Therefore, having an open, honest, and fair communication between companies or leader and employees, will encourage employee to work passionately and increase motivation by which it will affect the objective expected to achieve by the PT Benua Penta Global.

Based on the background explained above, the writer is interested to perform a research with the title **“The Influences of Communication on Employee Motivation at PT Benua Penta Global”**.

1.2. Problem Limitation

The limitation of the problem is intended so that the scope of the research can be clearer and more directed also to avoid vague understanding of the research, as follows:

1. This research analyze only communication (as the independent variable) on employee motivation (as the dependent variable) at PT Benua Penta Global;
2. This research was conducted only at PT Benua Penta Global, North Sumatra.
3. This research was conducted by descriptive assosiative quantitative method which using simple regression analysis tool.

1.3. Problem Formulation

Based on the background study above, the writer can take problem formulation as follows:

1. How is the communication states existed at PT Benua Penta Global?
2. How is the employee motivation existed at PT Benua Penta Global?
3. Does the communication give a significant influence towards employee motivation at PT Benua Penta Global?

1.4. Objective Of the Research

1. To investigate the states of communication existed at PT Benua Penta Global,
2. To find out the condition of employee's motivation at PT Benua Penta Global,
3. To find out how communication influence employee motivation at PT Benua Penta Global.

1.5. Benefit Of The Research

The benefits from conducting this research are as follows:

1.5.1. Theoretical Benefit

This research is expected to contribute to enriching reading sources, research references, and the expanding of knowledge in academia are and by companies on different ways on how to handles the same challenges.

1.5.2. Practical Benefit

- a. For the writer

This research is expected to enrich and expand the knowledge on the influences of communication on employee motivation.

b. For the company

This research is expected to encourage employees to value communication and use it more often as tool to channel their grievances rather than opting for other ineffective methods which can arise conflicts between employee to employee and employee to superior or employees to the company itself.

c. For the researchers

The findings of this research will be used as a reference point by other researchers for further research on the same field. They can also use the findings and recommendation as a foundation of their literature reviews

1.6. Systems Of Writing

The systems of writing in this *skripsi* will be as follows:

Chapter I : Introduction

This chapter includes the background of the study, problem limitation, problem formulation, objective of the research, benefit of the research and systems of writing.

Chapter II : Literature Review and Hypothesis Development

This chapter consists of some theories that are related to the topic of study such as definition of international business, definition of work motivation, need-based and process-based theories of motivation, indicator of employee motivation, definition of communication, indicator of communication and its impact on employee motivation. The writer includes previous research,

develops hypothesis, creates research model and framework of thinking.

Chapter III : Research Methodology

This chapter explains the research design, population and sample, data collection method, operational variable definition and variable measurement and data analysis method.

Chapter IV : Data Analysis and Discussion

This chapter presents general view of research object, data analysis and discussion.

Chapter V : Conclusion

This chapter contains the conclusion, the implication and recommendation of this research.

