

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Every company wants to be successful, no matter how competitive their industries are especially in this era. If companies have achieved it, they would want to grow it bigger and have constant progress and economic growth. However, companies should still maintain and expand the market share, because their competitors now are not only local, but also foreigners and the new technologies. Therefore, it is difficult to maintain the market share. (Purcell, 2019)

Since it is highly competitive, companies must make use of all available resources, including the human resources, which also includes employee, that is the key asset in achieving success and growth. Employees are the most valuable source of a company, be it as its own capacity or a competitive advantage. Skills are very needed to create a human capital as a generator of the competitive advantage that makes them need to be influenced towards the task fulfillment. (Garavan, 2001). Since each person has different skills, knowledge, and experience, managers should be able to understand employees to know what is wanted.

Employee performance is described as how the workers perform daily in the business that will influence the business' success or failure (Thompson, 2019). It has become important due to the increase concern of human resources about the result companies obtain from them. Attitude is also a concern since this affects

much on the performance. It is important to identify the problems that happen within employees to make sure that employees can maximize their productivity.

When employees do not perform well, customers will not be satisfied and look for help from others since there is unprofessionalism. If they are productive, working environment will be better and the output will increase. No company can progress if there is no positive employee performance which makes this employee performance as the most crucial factor in achieving company's growth. Therefore, company must be able to encourage them. An example of the encouragement is by motivating the employees.

Motivation that causes employees doing the task properly cannot be simply provided or provided. It requires extra effort on the part of the manager to determine what will motivate the employees to work hard enough to inspire them to meet the performance that has been set. According to Shanks N.H, statement, which was cited by Tilahun (2019), motivation is defined as the act of motivating others with the intention of capturing accomplishment. Bartol and Martin, as cited by Jose (2019), suggests that it is a powerful tool that reinforces behavior and triggers the tendency to continue. The more motivation the company gives to the employees, the more rewards the employee will provide by effectively participating in any task. Without such motivation, people are likely to fail doing their tasks. Thus, motivation holds a significant role in learning process because it pushes people in all activities.

PT Kartika Plasindo Pratama is a plastic bag manufacturing company that has been operating for 28 years. PT Kartika Plasindo Pratama is located at Jl

Brigjen Zein Hamid Km 7,5 Gg Ladang 22, Suka Maju, Medan Johor. Many companies have issues with the employees, including this company which has 52 employees, especially in retaining the best employees that makes motivation needed. In addition, employees also work halfheartedly which makes the company difficult to understand what they want.

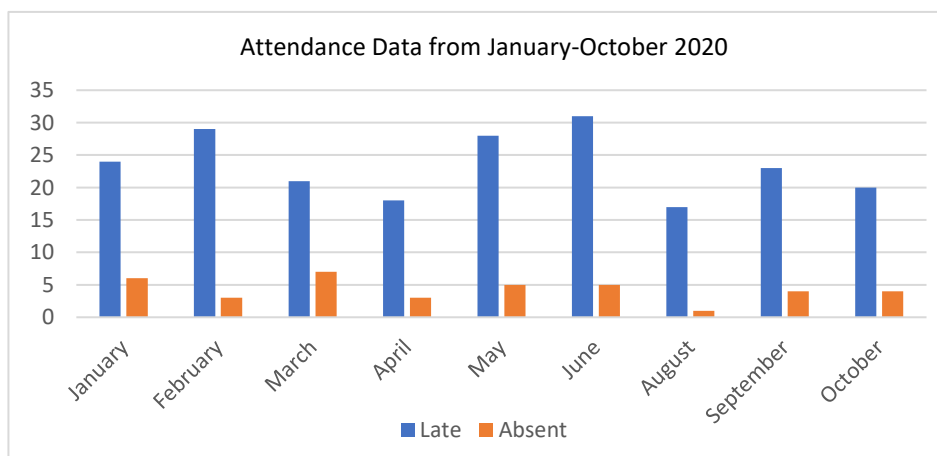
Since it is particularly important for the company to know and understand the issues that are happening at the workplace right now, the research here is to find out the influence and to suggest if there is any recommendation that the company can implement in the future. Below is the number of employees being absent and late.

**Table 1.1 Attendance Data in Time Range January – October 2020**

Month	Late	Absent
January	24	6
February	29	3
March	21	7
April	18	3
May	28	5
June	31	5
August	17	1
September	23	4
October	20	4

Source: PT Kartika Plasindo Pratama Medan, 2020

The figure presented below is based on the data above:



**Figure 1.1 Attendance Chart**  
Source: Prepared by author, 2020

Based on Table 1.1 and Figure 1.1, it is calculated that around 45-70% of the employees were not obeying the company's rules that ask them to always be on time. The highest numbers of employees that were late is in June. While for absence, it is in March. From January to February, there was an increase in the lateness and decrease in the absence. Moving on to March, the employees that were late had decreased, but the number of absences increased. This kept repeating until the last month that was being surveyed, which is October. When being asked why the employees were late and absent, they always had many reasons and promised they would try their best after it. While for the next day, the other employees would do the same thing repeatedly.

From the explanation of the attendance data, it is understandable that all factors should be managed better to give an impressive output. As a result, employees become the biggest challenge in making the companies' objectives become reality. They have their own capabilities, emotions, and feelings that make their works unpredictable. Retaining the employees is not easy. There are some things that make employees feel unmotivated such as no increase in salary, no bonus, and no promotions.

In this company, the owner has done various things, such as giving bonus. However, many of them still could not be controlled while on the other hand they must make sure that employees will not leave the company. If this keeps happening, it will result in work not being completed on time and affect the

company's production process and target, such as lower number of production and defects in the items (mis-production) which can usually happen when they get scolded after arriving late.

Since the research will discuss mostly about motivation and satisfaction, the research of this study is entitled as **“The Influence of Work Motivation towards Employee Performance at PT Kartika Plasindo Pratama Medan.”**

## **1.2 Problem Limitation**

Due to the limited time, resources, knowledge, and findings, this research is limited to only discussing and identifying the influence of employee motivation, as an independent variable (X), on employee performance which is dependent variable (Y) at PT Kartika Plasindo Pratama Medan.

## **1.3 Problem Formulation**

Based on the observations that has been done, the formulated research questions are as followed:

1. How is the work motivation at PT Kartika Plasindo Pratama Medan?
2. How is the employee performance at PT Kartika Plasindo Pratama Medan?
3. Does work motivation have influence towards employee performance at PT Kartika Plasindo Pratama Medan?

#### **1.4 Objective of The Research**

The purposes of conducting this research at PT Kartika Plasindo Pratama Medan are:

1. To find out about work motivation at PT Kartika Plasindo Pratama Medan
2. To evaluate the employee performance at PT Kartika Plasindo Pratama Medan
3. To know whether there is any influence of work motivation on employee performance at PT Kartika Plasindo Pratama Medan.

#### **1.5 Benefits of the Research**

The benefits we get from this research is hoped to bring theoretical and practical contribution.

##### **1.5.1 Theoretical Benefit**

The research on the company's management is expected to be used as information to help people gain a better understanding on the importance of employee motivation and how it influences the employee performance.

##### **1.5.2 Practical Benefit**

These are the benefits of this study:

- a. For writer, this research is expected to add more knowledge and insight of work motivation and employee performance.
- b. This research will benefit the company as there is a recommendation provided so that companies will be able to solve the problems being faced and increase

their productivity that will result on better performance and sustainable economic growth.

- c. The result of this research can be used as an additional guide and reference for other researchers in doing further research topics.

