

# CHAPTER I

## INTRODUCTION

### 1.1 Background of Study

Globalization has pushed the business world to become increasingly competitive, strengthening competition which in the end only brings consequences for companies that have the competitive ability to survive. That competition emerging in the business world encourages the emergence of thoughts that are new products that can build products or services that provide more value to customers. This condition causes a paradigm shift in marketing, so this change can motivate managers to develop quality products or services to become global, to improve the competitiveness of business opportunities in marketing services cannot be separated from the dynamics, situations, and conditions of external factors.

To be able to survive and obtain a reasonable profit, service organizations are required to continue to adjust product services to the needs of the service user community. Agustina (2019, p.2), “Utilizing resources optimally and professionally means using employees from planning, implementation to monitoring and evaluation on target and fulfilling the desired rules both by the employees themselves and by the organizations where the employees take shelter. So human resources can be said to be the main factor or the driving force of an organization” An organization is said to be successful if it can effectively and efficiently utilize resources especially optimal and professional employees.

Tropical Rooftop as the name implies is located on the 7th Floor of the Deli Hotel Medan. This cafe is open to the public not only for hotel visitors. Deli Hotel is located on Jalan Abdullah Lubis next to the Andaliman Building, an iconic building with a white painted European design. Tropical Rooftop Cafe opening hours from 16.00 - 24.00. The tropical atmosphere with beach ornaments and colorful decorations, no wonder this cafe feels stand out with a theme. There are indoor and outdoor areas. But you can still feel the breeze and view the city of Medan

Employee's ability is reflected in performance, good performance is optimal performance. Employee performance is one of the keys for the company to achieve its goals. So that employee performance is something that must be considered by the leadership of the company. Performance is generally interpreted as a person's success in carrying out a job. Employee performance is the result of work achieved by someone in carrying out the tasks assigned to him to achieve work targets. Employees can work well if they have high performance so they can produce good jobs. Employee performance is one of the determining factors for the success of a company or organization in achieving its goals. For this reason, employee performance must receive the attention of company leaders, because a decrease in employee performance can affect overall company performance.

The decline in employee performance Tropical Rooftop Medan which is marked by the employee's work initiative in carrying out work quickly, precisely has decreased and decreased employee work discipline.

**Table 1.1.**  
**Employee Discipline Data Tropical Rooftop Medan**  
**2017-2020**

<b>Information</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Absent	34	49	43	32
Permission	11	16	19	18
Late	41	54	69	43

Sources: Tropical Rooftop Medan, 2021

Table 1.1 shows that absenteeism and employee delays cause a decrease in employee performance which results in many jobs that are not on time and work targets that are not achieved. One of the things that cause employees to have employee performance is thought to be caused work competence given by the company to unsatisfactory employees.

Dillon (2016), A competency framework is considered a fair and transparent system of performance and development management. However, competency frameworks need to be updated regularly as jobs constantly change to meet fluctuating business needs. Some managers consider the system unwieldy and overly complex while stifling individuals' creativity and initiative. In practice, workplace competencies describe the desired performance but do assure improved performance

A competency is a description of required skill, attribute, or behavior for a specific job used to define and measure an individual's effectiveness. Competencies are arranged into a framework that brings together several job roles and the required capabilities that the job holder must possess or acquire in order to perform his job effectively. While aiming to provide a fair and consistent approach to employee engagement and development, workplace competencies are

especially popular in large organizations. The principles also enable small businesses to focus on key management and operational performance.

The problem of declining employee performance can be seen from the number of absenteeism which shows that employees are less disciplined in carrying out the rules and working time given. This also has an impact on the ability of employees who do not do a good job in providing services to customers who come, causing customers to be dissatisfied with the services provided. Performance that is not optimal is also due to the competence of employees who are not good in terms of service, which is considered slow by customers, unable to explain the menu properly, and speak impolitely to customers. Employees Tropical Rooftop Medan who is accepted are not experienced so the work carried out is not optimal. This reflects the employees' poor job competence.

Based on these problems, research is conducted with the title **“THE INFLUENCE OF WORK COMPETENCE TOWARD EMPLOYEE PERFORMANCE IN TROPICAL ROOFTOP MEDAN”**.

## **1.2 Problem Limitation**

The researchers limit the scope of the problem between the Work Competence toward Employee Performance at Tropical Rooftop Medan.

## **1.3 Problem Formulation**

Based on the background of the study, the question to be answered in this research are as follows:

1. How is condition Work Competence at Tropical Rooftop Medan?
2. How is condition Employee Performance at Tropical Rooftop Medan?
3. Does Work Competence influence Employee Performance at Tropical Rooftop Medan?

#### **1.4 The objective of the Research**

Based on the problem identification proposed in the previous point, the objective of this research are:

1. To analyze Work Competence at Tropical Rooftop Medan.
2. To analyze Employee Performance at Tropical Rooftop Medan.
3. To find out the influence of Work Competence toward Employee Performance at Tropical Rooftop Medan.

#### **1.5 The benefit of the Research**

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

The results of this research are expected to recommend the company about how to improve Work Competence so that Employee Performance can be improved.

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

The practical benefit of this research is as follow:

- a For the writer, the result of this research is expected to contribute to the exciting theories relevant to Work Competence toward Employee Performance

- b. For Tropical Rooftop Medan, this research is information about whether the survey that has been made will be useful to improve the company's performance.
- c. For other researchers, to be a guide in leading the researcher to do other research that is compatible with this research.

