

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the study

The impact of COVID-19 has resulted in disruption of all companies starting from the economic and business even globally. Human resource management is a completely critical factor to guide the sustainability of a company. In applying an organization in a company, it is necessary to pay attention to human resource management an organization. Human resource management should be aimed at exploring the potential of human resources to make a positive contribution to a company or organization. Human resources have a very important position given the organization's performance is influenced by the quality of its human resources.

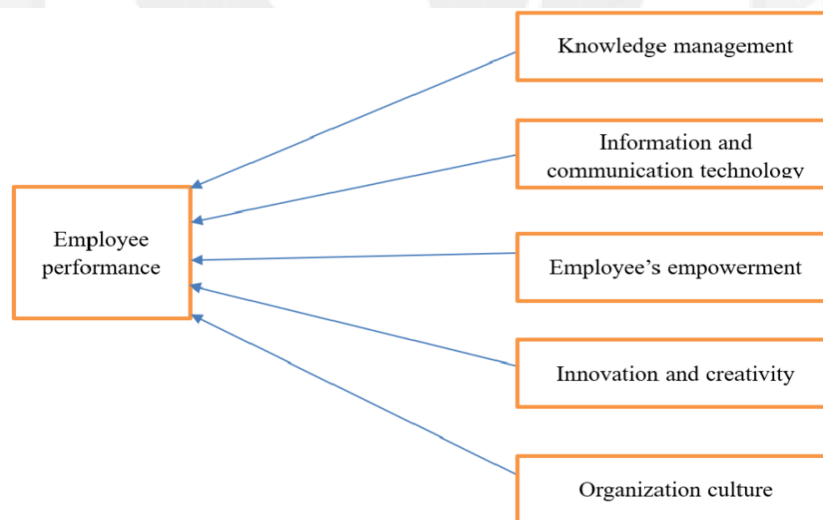
Organizations must have rules where these rules must be obeyed by every member, the purpose of these rules is for the organization to be controlled and organized. In a well-managed organization to achieve goals, teamwork is needed. To obtain a great performance and upgrade the business to reach business objectives, human resource management must be oriented towards business thinking and management, while being crucial to the implementation of sustainable business continuity. An employee's success or failure at work becomes known when the company or organization in question implements a performance appraisal system.

One of the improvements in human resources is training. According to Sedarmayanti (2017), training is often used by companies to improve and gain knowledge that can be taken by employees. Current conditions, this relates to the desired work to overcome the loss of human resources. Some problems that will occur during the training period or inhibiting factors and have different opinions during training. Training has an impact on the company in the long term. This program aims to improve the capabilities of employees to help them set business goals and develop talented people with great potential and skills. Training is very important to business development process. There are very few employees who take the lead and show creativity to improve and develop the company. Employees are generally happy with their production or execution without any improve. To execute this training program, the company must implement requires a well plan and controlled in every design. This is to ensure that the results of training are optimally transported to the company.

One of the upgrades in worker overall performance may be achieved with the aid of using growing the motivation factor. Motivation can be a driver of a person carrying out an activity to get the best results. Motivation can make the employee highly motivated employees tend to perform at their best.

Performance is a work achievement or a person's work based on the quantity and quality he achieves in carrying out his functions in accordance with the responsibilities received. Performance is important for the corporate or organization further as from the staff themselves.

Researchers also highlighted the parameters that determine and influence employees' performance. Bataineh (2017) explains that the efficiency in completing the employee's responsibility to meet the stakeholders' expectations. Employee performance is influenced by various employee-related factors. Successful leaders are not only able to get the job done quickly, but also get the job done well. The result of the employee include quality, services and so on, however overall performance assessment in a company's corporation is key in worker development. Smith and Bititc (2017), focusing the performances management as a work environment factor that increase employee engagement levels. In addition to labor training and leadership, motivation is also important in improving employee performance.



**Figure 1.1 affecting employee performances**

Sources: Hasibuan, 2018

PT Buana Andalan Teknologi, Medan is a family business where it has been established around 40 years. But previously this company had not used a business entity. In the form of a new business entity established on 13 July 2019. PT Buana Andalan Teknologi, Medan sells goods such as photographic

equipment, electronics, computers, and others. This company has been held from family business.

PT Buana Andalan Teknologi, Medan experienced a decline in employee performance as reflected by the level of inaccuracy of the increasing time such as the level of employee delay increased, decreased quality of work is reflected in the number of employee work errors in the results of their work completion. In addition, the number of employees who completed the work has not been in accordance with the time set by the division leader.

The essentials parts of a worthy employee training program are constructed on orientation, management skills, and operational skills of employees. These theories are the groundwork of any employee development program Kleiman (2018). The requirements for technical training program for employees raised their job satisfaction and help to understand the culture of organization, which lead to the success of the organization. Company must take care about these elements that employee should be updated with the present knowledge of the job. Employee will be more productive, if companies provide them training as per the requirement of the job.

PT Buana Andalan Teknologi, Medan engaged in technology require job training in order to improve the ability of employees in the performance of their duties. In this company the lack of job training conducted and supported by recruitment conducted less attention to the work experience that employees have so as to have low employee performance. Job training from PT Buana Andalan Teknologi, Medan is often done only teaching from seniors in the division of

work in deploying and controlling new employees. This results in difficulty employees in the performance of their duties.

**Table 1.1 Data Employee Performance Appraisal PT Buana Andalan Teknologi, Medan 2021**

Grade	Term 1 (June)	Term 2 (December)
A	9	8
B	15	12
C	15	18
D	8	9

Sources: Prepared by the writer (PT Buana Andalan Teknologi, Medan, 2022)

Table 1.1 shows that the company is going performance assessment 2 times for 1 year. For the value of a means very good (score 91-100), the value of B means Good (score 71-90), the value of C means well enough (score 51-70), the value of D means less good (score 10-50). The results of the performance assessment is still a lot of employees who obtain a value that is less good. Aspects of the appraiser's performance with knowledge, role and organization, problem solving, communication, discipline, and initiative level.

According to Ouchi (2018) has explained the importance of motivation as related to employee performance. He explored the reasons why Japan's national productivity is soaring. He went further to say that the secret of the Japanese success is the great concern Japanese manager's show for the well-being and development of workers. The fact that motivation is the most important factor for productivity and quality is not a new discovery. Motivation is very important for the managers and officers to know and understand why people behave differently at workplace and how to manipulate their behavior so that they exert their best efforts to achieve organizational goals. It is the goal of managers at every stratum

to have employees motivated so that work can progress at desired rate, pace and time.

Motivation in this case is likely when a clearly perceived and usable relationship exists between performance and outcome, and the outcome is seen as a means of satisfying needs. It suggests that there are two factors determining the effort people put in their jobs. The first is the value of the rewards to individuals, and the extent to which these rewards satisfy their needs for security, social esteem, autonomy, and self-actualization. The second is the probability that the rewards depend on the effort, as perceived by individuals, their expectations about relationship between effort and reward. Thus, the greater the value of a set of the awards and the higher the probability that receiving each of these rewards depends upon effort, the greater the effort will be in each situation according to Armstrong (2018).

In this company PT Buana Andalan Teknologi, Medan, motivation received is still not able to encourage improved employee performance. Many employees complain that they are less motivated to work during this pandemic because of the salary cuts provided by the company, triggering a low level of employee initiative in providing optimal performance. The lack of promotion also triggers the main factors that cause employees to find it difficult to obtain high performance.

Leadership can be considered as the act of guiding the individual unit or the team members to achieve the goals in the proper direction and with motivation.

The leaders encourage the team members to take the desired actions that are required for organizational success according to Gandolfi and Stone (2018).

PT Buana Andalan Teknologi, Medan has leadership that has not been effective. The phenomenon of leadership in this PT Buana Andalan Teknologi, Medan is superiors who have not been able to encourage employees who have job satisfaction, superiors who discriminate in the provision of work, superiors who are too demanding on employees and superiors who are too dictator so many employees are afraid of giving some advice to superiors on problems that is being faced by the employees.

It turns out that the problem of labor is one of the important factors for the company, so that leadership style, motivation and job training are one way to improve employee performance. so, in this study the author made the title: "**The Effect of Training, Motivation and Leadership on Employee Performance at PT Buana Andalan Teknologi, Medan**"

## **1.2 Problem Limitation**

The author agreed to conduct research by setting up several limitations, including:

- a. Data from the results of this study were taken from PT Buana Andalan Teknologi at Jalan Raden Saleh no 43-45, Medan, Sumatera Utara, Indonesia.
- b. Due to time and constraint, the respondents were only taken from the employees of PT Buana Andalan Teknologi that are in Medan, Sumatera Utara, Indonesia.

### **1.3 Problem Formulation**

The writer formulates several questions, as follows:

- a. Does training have partial effect on employee performance at PT Buana Andalan Teknologi, Medan?
- b. Does motivation have partial effect on employee performance at PT Buana Andalan Teknologi, Medan?
- c. Does leadership have partial effect on employee performance at PT Buana Andalan Teknologi, Medan?
- d. Do training, motivation and leadership have simultaneous effect on employee performance at PT Buana Andalan Teknologi, Medan?

### **1.4 Objective of the Research**

Based on the problem formulation the objectives of this research are:

- a. To analyze whether training has partial effect on employee performance at PT Buana Andalan Teknologi, Medan.
- b. To discover whether motivation has partial effect on employee performance at PT Buana Andalan Teknologi, Medan.
- c. To investigate whether leadership has partial employee performance at PT Buana Andalan Teknologi, Medan
- d. To investigate whether training, motivation and leadership have simultaneous employee performance at PT Buana Andalan Teknologi, Medan



## **1.5 Benefit of the Research**

Theoretical Benefit and Practical Benefit are the two forms of benefits in this research.

### **1.5.1 Theoretical Benefit**

In terms of the educational context, the completion of this study will provide additional insight about the impact of Training, Motivation and Leadership von Employee Performance as mediating variable. As a result, it can enrich the writer's understanding and improve future educational discussion of the similar topics.

### **1.5.2 Practical Benefit**

The writer hopes and expects that this research will deliver three (3) benefits, as follows:

- a. The writer provides some suggestions that could improve the training, motivation, and leadership.
- b. For other researchers, this research as a reference when they conduct research on a similar subject.
- c. For the writer, this research would give more knowledge and better understanding about the influence of training, motivation, and leadership towards employee performance.