

CHAPTER I

INTRODUCTION

1.1. Background of the Study

An organization needs human resources to achieve its organizational goals.

In addition, employees are one of the company's most important assets because employees carry out all activities in every company. Companies need to pay attention to the performance of their employees to be able to know the level of productivity that has been achieved, and to improve their performance in the future.

According to Mukminim (2019), human resource management is defined as an activity that includes the withdrawal, selection, development, maintenance, and use of human resources to achieve both individual and organizational goals. Meanwhile, human resource management is also defined as a policy that is structured in a series of activities to meet the needs of the workforce which includes aspects contained in human resources such as positions, procurement of recruitment, selection, compensation to assessment of workforce performance.

In order to maintain business continuity in order to survive in these quite difficult times, effective and optimal employee performance is needed in carrying out employee performance is the outcome of workers' efforts to complete assigned tasks inside the organization. There is no widely recognized definition of performance as a concept. As a result, the idea of Performance has been viewed from a variety of perspectives. For instance, from a process viewpoint, performance

refers to the process of converting inputs to outputs with the goal of achieving a given conclusion. (Baharoom and Ameen, 2019).

Training is needed as an effort to improve employees' work skills through various methods taught to employees. Training is a deliberate attempt by an organization to support workers' acquisition of job-related abilities, knowledge, skills, and habits. The purpose of training is for workers to acquire the necessary information, skills, and behaviors and to apply them in their daily tasks. Historically, businesses depended on formal training through a course, program, or "event" to impart the information, skills, and attitudes necessary for people to execute their jobs effectively. Development is comparable to training, with the exception that it is more future-oriented. Development include training, formal education, work experiences, relationships, and personality, skill, and ability evaluations that assist workers in preparing for future professions or positions. (Kodwani and Noe, 2018).

Competence is the ability possessed by employees in carrying out the work given. According to Bukit et al. (2017), competence may be defined as a collection of abilities, personal characteristics, and knowledge that is manifested in observable, quantifiable, and evaluable work behavior. In a variety of literatures, skills are often classified into two categories: soft competencies and hard competencies. Soft competencies are those that are strongly tied to the capacity to manage work processes, human connections, and interpersonal interactions.

PT Murni Buana Artha is a company engaged in providing employees or more commonly referred to as an outsourcing company. PT Murni Buana Artha accepts

and conducts the selection before distributing it to other companies that need employees. Each worker who is distributed will be given training and materials about the work that will be accepted later. This company uses a contract method with companies that need workers where, this company will become Human Resource Development for companies that make contracts.

In terms of employee performance owned by PT Murni Buana Artha has not fully performed well. The performance of employees at PT Murni Buana Artha shows that employees have not been able to follow company regulations properly. Employees who cannot follow work regulations such as in timely work attendance show that employees have not been able to have good performance. The problem is that employees are still often not punctual in attendance to work at PT Murni Buana Artha in the following table.

Table 1.1

Employee Attendance at PT Murni Buana Artha

Months	Number of Employees	Working Days	Attendance Target	Lateness		Absence		Arrive On Time	
				Amount	%	Amount	%	Amount	%
January	76	25	1900	93	4.89%	50	2.63%	1757	92.47%
February	76	22	1672	92	5.50%	52	3.11%	1528	91.39%
March	76	26	1976	95	4.81%	40	2.02%	1841	93.17%
April	76	25	1900	92	4.84%	43	2.26%	1765	92.89%
May	76	21	1596	93	5.83%	42	2.63%	1461	91.54%
June	76	25	1900	120	6.32%	58	3.05%	1722	90.63%
July	76	26	1976	63	3.19%	60	3.04%	1853	93.78%
August	76	24	1824	45	2.47%	45	2.47%	1734	95.07%
September	76	26	1976	96	4.86%	52	2.63%	1828	92.51%
October	76	25	1900	45	2.37%	36	1.89%	1819	95.74%
November	76	26	1976	55	2.78%	45	2.28%	1876	94.94%
December	76	26	1976	56	2.83%	43	2.18%	1877	94.99%

Source: PT Murni Buana Artha, 2022

In the employee attendance data, this is the total attendance of employees in 2021. The highest number of lateness occurred in June with a percentage of 6.32% (120 times of late) and the highest number of absences in July with a percentage of 3.04% (60 times of late). This data shows that the number of existing employees did not show good performance in attendance at the company.

The training carried out by PT Murni Buana Artha to employees has not gone well. The training is only carried out for the human recruitment division. During this pandemic period, the company did not conduct training to all divisions in the company, resulting in the company being unable to maintain the current recruitment performance. The following is data on training activities at PT Murni Buana Artha organized by the company for employees.

Table 1.2

Employee Training Methods at PT Murni Buana Artha

Training Type	Training Topic	Held on	Problems in Training
Recruitment	Done to train the recruitment department (HRD) to select employees who are suitable for the position to be distributed	Held 1 times a year for recruitment division	The training is carried out infrequently and does not include a recruitment model that fits the company's needs
Finance	Implemented for the office to improve the ability to work in handling company finances	Taught by senior employees to deal with conditions that arise at work	The material taught by senior employees cannot help carrying out the job effectively
Leadership	Implemented for special employees who are appointed as leaders in carrying out leadership to other employees	Taught by special guidance institutions	Only managerial employees receive training for leadership
On the job training	Implemented when employees carry out work and are taught by seniors in carrying out their duties	Taught by senior employees to deal with conditions that arise at work	Senior employees who don't teach all the job materials properly to new employees

Source: PT Murni Buana Artha, 2022

This could be seen that PT Murni Buana Artha has applied a training system for the employees. Problems that arise in training include training methods that are

not in accordance with the company's working conditions, training instructors who provide training not based on working conditions in the company, training that is not given evenly to all employees and senior employees who do not fully teach skills in working to new employees.

The competencies that exist at PT Murni Buana Artha currently are not in accordance with the existing work of employees. The competence of employees currently is not in accordance with the positions they have in terms of education and work experience that exist currently. The following is the competency data of employees in the company currently.

Table 1.3
Data of Employee at PT Murni Buana Artha

No.	Position	Number of People	Last Education	Previous Work Experience	Description
1.	Manager	1	S2	4 years as Manager	Experience as Manager with appropriate education
2.	Division Head	4	SMA (2 people) S1 Management (2 peoples)	2 years as Head Division	2 people with high school education that is not suitable for the current job
3.	Staff Accounting & Administration	20	SMA (20 peoples)	Have no work experience	Do not have work experience in the accounting field
4.	Staff System Development	5	S1 Computer (5 peoples)	Have no work experience	No work experience in system development
5.	Human Resource Staff	27	SMA (15 peoples) S1 for any degrees (12 peoples)	Have no work experience	Does not have special education in the human recruitment section and the employees employed are graduates from high school to bachelor's degree
6.	Staff Industrial Relation	19	S1 for any degrees (19 peoples)	Have no work experience	Do not have appropriate work experience in the usual field
Total		76			

Source: PT Murni Buana Artha, 2022

The table above shows that most of employees with high school education currently are employees with staff level in the company. In addition, work experience and education at the undergraduate level are also not fully in accordance with the employee's current field of work so that the current competencies are not in accordance with the employee's ability to carry out work properly.

In carrying out the work, based on the results of interviews and observations by the author, employees also often make mistakes at work. The following is the data on employee work errors at the company.

Table 1.4
Work Violence Data at PT Murni Buana Artha

Months	Number of Errors			Error Description
	2019	2020	2021	
January	10	12	8	1. Not finishing work on time 2. Not achieving the work targets planned by the company 3. Not coming to work without notification 4. Errors in presenting reports to the leadership 5. Not carrying out the directions from the leadership 6. Not being loyal in carrying out work 7. Not being nice to co-workers
February	11	11	10	
March	13	10	11	
April	12	15	12	
May	11	13	13	
June	8	12	11	
July	9	8	9	
August	8	9	13	
September	11	9	12	
October	12	10	8	
November	11	8	8	
December	10	8	11	

Source: PT Murni Buana Artha, 2022

In the employee work error data, it is seen that employees quite often make mistakes when carrying out work. This can be seen from the number of errors that occur every month in the last few years. Errors in work show that employees do not have the competence and training that supports them in carrying out the work expected by the company.

Based on this review, the writer decides to conduct research entitled **“The Effect of Training And Competency Towards Employee Performance at PT**

Murni Buana Artha”

1.2. Problem Limitation

The writer only focuses on the training and competency and its effect towards employee performance at PT Murni Buana Artha.

The indicators of training are using the theory of Mangkunegara in Sudaryo et, al (2018) which are instructor, participants, material, method, purpose, and target. For competency will using indicator from Wibowo (2018) which about motives, traits, self-concept, knowledge, skills.

Meanwhile for the indicators of employee performance are using the theory of Mathis and Jackson in Sudaryo et, al (2018) namely work quality, work quantity, working time, and cooperation.

1.3. Problem Formulation

To investigate the effect of training and competency towards employee performance at PT Murni Buana Artha. The following discussion will consist of matters that questions the correlated factor:

1. Does training has partial influence on employee performance at PT Murni Buana Artha?
2. Does competency has partial influence on employee performance at PT Murni Buana Artha?
3. Do the training and competency have effect towards employee performance at PT Murni Buana Artha?

1.4. Objective of the Research

Based on the problem formulation which has been listed above, the writer could conclude that the research objective of this study is:

1. To examine whether training has partial effect employee performance at PT Murni Buana Artha.
2. To analyze whether competency has partial effect employee performance at PT Murni Buana Artha.
3. To find out the effect of training and competency towards employee performance at PT Murni Buana Artha.

1.5. Benefit of the Research

The benefit of this research are as follows:

1.5.1. Theoretical Benefit

The results of this research are expected to contribute to the existing theories relevant with training and competency and their influence on employee performance.

1.5.2. Practical Benefit

The practical benefit of this research as follows:

- a. For the writer, the result of this research is expected to contribute to the exciting theories relevant with training and competency have effect on employee performance.

- b. For PT Murni Buana Artha, this research as 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 or reference in leading the researcher to do other research that is compatible with this research.

