

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Human resources as one of the resources in the organization play an important role in the successful achievement of organizational goals. In the development of human resources, the performance of an employee in a company is needed to achieve employee performance itself and also for the success of the company. Improving the performance of these employees is not only beneficial for the company, but also for the employees themselves. Because with good performance theoretically can achieve a better level of employee career development (Siahaan et al., 2019).

Human resource management is essentially the application of management specifically for human resources, so that it can be defined: Human resource management is the art of planning, organizing, directing, supervising human resource activities employees in order to achieve organizational goals. Of the several definitions above, it can be concluded that Human Resource Management is an organizational activity in an effort to obtain a reliable and qualified workforce through the process of planning, organizing, implementing and controlling so that the company's objectives are achieved (Hermina and Yosepha, 2019).

Performance incorporates the resulting outcomes of the performed actions of employees based on their expertise and skills. In organizational settings, employees' performance is the accumulates result of the skills, efforts and abilities of all the employees contributed in organizational improved productivity leading

towards its goal achievement. Improved organizational performance indicates the efforts towards goal achievement while requiring more efforts in terms of improved employee performance (Ellinger et al, 2020).

Employee performance is among the critical factors that contribute significantly in organizational success. Learning organizations play important role in enhancing employee performance through providing trainings and developments for their employees (Gitongu et al, 2019). If discrepancies found, then these standards help bringing the outputs again towards their required levels. Employees performance also depends on their internal satisfaction towards their job. If employees are satisfied from their jobs as well as the organization than they are more keenly interested to perform well towards organizational goal achievement.

Based on interviews and observations conducted at the beginning of the study in PT Indojaya Agrinusa, Medan there is a decrease in employee performance as seen from the performance appraisal due to negligence committed by to employees at PT Indojaya Agrinusa, Medan.

**Table 1. 1 Employee Performance Appraisal Data of PT Indojaya Agrinusa, Medan (2022)**

Grade	Term 1 (January-June)	Term 2 (July- December)
A (91-100)	46	34
B (76-90)	41	37
C (66-75)	36	35
D (51-65)	22	28
E ( $\leq$ 50)	13	24

Sources: Prepared by the Writer (PT Indojaya Agrinusa, Medan, 2022)

Table 1.1 shows that the company is going performance assessment 2 times during 1 year. In term 1, the data obtained those 46 employees got the value of A means very good, 41 employees got the value of B means Good, 36 employees got the value of C means well enough, 22 employees got the value of D means less good, and 13 employees got the value of E means less. While in term 2, 34 employees got A, 37 employees got B, 35 employees got C, 28 employees got D,

and 24 employees got E. 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 regard to technical knowledge of the work, work quality, speed in completing the work, ability to adjust self, teamwork, communication, work discipline, initiative, responsibility and timeliness.

Work motivation is an energy source that refers to internal factors that encourage actions and external factors that can act as persuasions to act. Work motivation as a series of processes that determine an individual's intention to allocate self-potential in various actions. Work motivation is a problem faced by the organization or one of them is the low work environment motivation of members organization or employee. Low motivation can result in low service, performance, and job satisfaction from the employees (Notoatmodjo 2022).

Employee motivation at PT Indojoya Agrinusa, Medan has decreased since 2021. this motivation phenomenon causes employees to resign from the company. The following data resign employees are:

**Table 1. 2 Resign Data of PT Indojoya Agrinusa, Medan (Tahun 2021-2022)**

Month	2022
January	1
February	0
March	2
April	3
May	2
June	0
July	0
August	1
September	3
October	4
November	2
December	4

Sources: Prepared by the Writer (PT Indojoya Agrinusa, Medan, 2022)

This company shows the number of employees who resigned as many as 22 employees in 2022. Many employees resign for reasons related to lack of motivation. This is reflected in the company's little promotion to employees so as

to create a decrease in employee morale in carrying out their duties. In addition, the decline in employee motivation is also caused by leaders who give little appreciation to employees such as not giving salary increases, providing training and employee development.

Communication can be seen as a medium, a means to achieve performance goals, or as a helpful tool within the goal dominated domain of aviation, it is more often defined as task communication, about the goals of the team and organization. According to Banihashemi (2021), communication is essential to effective team performance and communications for any organization is like blood flow in the human body. The most efficient managers are who that understand communication and the use it in their organizational environment. Communication skills have great importance in the work area just as they in all areas of life. For most of the professions, communication skills such as being able to express one or to understand the others correctly are required for success and satisfaction at least in elementary level.

Communication work in the company is still poorly established. This is due to personal conflicts that affect communication between employees is quite bad. Then the decline in communication facilities advocates any division of work that impedes communication between employees. Leaders who are difficult to communicate well also create communication patterns in the company is not clear. Leaders who use a mixture of *Hokkien* and Indonesian so that many employees do not understand well. In addition, communication problems are also less than optimal due to some employees who do not provide feedback to other employees or leader. This is caused by employees feel fear when employees want to

communicate to the leadership so that what is directed and explained is not in accordance with the results of the employee's work.

Based on the explanation above, the writer decides to conduct research entitled **“The Influence of Work Motivation and Communication toward Employee Performance at PT Indojaya Agrinusa, Medan”**.

## **1.2 Problem Limitation**

Due to limitation of time and budget this research focused to PT Indojaya Agrinusa, Medan that the independent variable used is the Work Motivation ( $X_1$ ) and Communication ( $X_2$ ) and dependent variable used is the Employee Performance ( $Y$ ). The study was conducted from January 2023-May 2023. Respondents in this study are employees at PT Indojaya Agrinusa, Medan.

## **1.3 Problem Formulation**

Based on the background of the study, the writer formulates several questions, as follows:

1. Does Work Motivation have partial influence on Employee Performance at PT Indojaya Agrinusa, Medan?
2. Does Communication have partial influence on Employee Performance at PT Indojaya Agrinusa, Medan?
3. Do Work Motivation and Communication have simultaneous influence on Employee Performance at PT Indojaya Agrinusa, Medan?

## **1.4 Objective of the Research**

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

1. To analyze whether Work Motivation has partial influence on Employee Performance at PT Indojaya Agrinusa, Medan.
2. To examine whether Communication has partial influence on Employee Performance at PT Indojaya Agrinusa, Medan.
3. To analyze whether Work Motivation and Communication have simultaneous influence on Employee Performance at PT Indojaya Agrinusa, Medan.

## **1.5 Benefit of the Research**

The writer expects that this research can give benefits both theoretically and practically.

### **1.5.1 Theoretical Benefit**

The research result can be used to expand, improve and develop the relevant theories especially in the Work Motivation and Communication and influence on Employee Performance.

### **1.5.2 Practical Benefit**

From this study, the PT Indojaya Agrinusa, Medan will benefit from this research as they know if there is influence of Work Motivation and Communication have simultaneous influence on Employee Performance. If the Work Motivation and Communication is sufficient enough, then Employee Performance will be up to expectations. Some of the benefits are expected for:

1. For the writer

The writer as the researcher to get more experience in doing the research and as an addition to knowledge with regard to Work Motivation and Communication and Employee Performance.

2. For the PT Indojaya Agrinusa, Medan

To provide useful suggestions for the company in increasing Employee Performanc especially by improving the Work Motivation and Communication.

3. For other researchers

To be an additional reference, reference material for further research and information to interested parties in assessing the problem the same in the future.

