

CHAPTER I

INTRODUCTION

1.1 Background of Study

The era of the industrial revolution 4.0 resulted in competition in the business world becoming increasingly stringent and competitive. Companies or economic sectors are looking for profit from selling other goods or services. Human resources and non-human resources are needed in the world company to be able to compete with other companies. Aspect that holds a crucial role and considers one of the important roles in a company are employees or human resources itself.

Today's technology and work machines are increasingly advanced, but human resources remain the most important role in the company. Management resources should be done properly, especially the determination and its use to maintain and improve the existence of the company. Resource people are an important asset for companies to achieve goals in an organization.

A company with various demands is controlled, maintained and developed by human resources. Companies can succeed depending on how their individuals perform, with that the goals that have been set by the company can be achieved. The most important thing for the organization or company as well as for the employee itself is called employee performance. Employee performance is a form of work result in physical or non-physical form, which describes how an employee works.

High employee performance can be created through efforts with the holding of optimal job training and increasing the potential owned by employees, so that it will create a positive contribution to the company growth. Factors that might affect employee performance are a serious matter that the company must pay attention to keep improving employees' performance. These factors can be found in the company, such as background, leadership, work motivation, supervision, and job satisfaction. Performance increase or decrease are caused by these five factors.

Activities related to the work as members in a group that are mobilized and influenced by leadership factors. Researchers conclude that the basis of leadership is that subordinates are influenced by a leader, to be willing to work together and effectively according to the rules work. In addition, a leader must provide good motivation useful as a motivator or who moves employees, so each employee is able to work together and help the company achieve its goals.

Companies don't just want creative employees, but employees who are also diligent and willing to work produce quality work. Employee skills are not very important for the company if employees are not diligent in working or do not have the desire to work. Modern office equipment plus active and creative employees will make the company precede and be able to compete according to the development of the situation.

The leadership style in leading its employees is the key to influencing how employees will perform. Employee work results can be gained from factors in completing a task or job. Apart from leadership, employee performance is affected by supervision. Researchers mean that Supervision is a method by monitoring,

checking and evaluating work resources to understand what shortcomings are so that leaders can improve to reach the goals.

An employee's performance can be influenced by other factors, namely background. Researchers give examples such as previous education and have worked were before. Employee performance is enhanced by the company's efforts looking for employees who have the skills and expertise according to the field job in the company. Educational background is very necessary because employee performance can be influenced by educational background. So that employee performance increases, it takes human resources who have education according to work in the field.

Other factors that have potential influencing employee performance, namely work motivation, leadership and job satisfaction. The creation of an effective performance management system as a form of leadership role efforts. The duty of a leader is to provide a positive work situation by providing work motivation to all employees. Researchers conclude the obligations of a leader are to pay attention to all employee needs, which will cause job satisfaction to increase. A leader who is considered a success is a leader who carries out responsibilities by observing and monitoring employee work. Employee motivation at work must be noticed, maintained, and managed, so that motivation can be increased again employee work and achieve the organizational goals.

Employees when act and do something, they based on by work motivation. Employees who produce work are not optimal because he does not have the desire and drive from within him to do his job. Therefore, maintaining work motivation

of an employee is so important because work motivation acts as a driving force. Employees have work motivation that comes from within and outside themselves. Someone, the researcher gives an example of intrinsic motivation if employees are motivated from within, then the employee will continue to be excited at work.

If employees do not have work motivation, but because from the company must continue to work, then the employee will continue to work to completion or the employee gives up so that the work results decrease or are of low quality, besides that motivation Extrinsic is a motive that possessed by employees which is affected by matters from outside the employee. In Human Resource Management, companies must make work motivation the most important thing. Employees are used as assets by modern companies today, aren't they? only used as a production machine. The outcome of research from (Dewi et al., 2019) stated that work motivation has a positive and prominent effect on employees.

The company's efforts to create an effective work situation by creating a sense of security and meeting physiological needs, because that the company expects, the emergence of their work motivation combine can achieve organizational goals. Effective work situations diverse according to the type or form of the organization. But generally available office equipment and facilities, ensuring employee welfare, promotions, opportunities to develop skills, comfort and a sense of security while doing work, and pension funds. Motivation to work at the company is the drive, effort and will that be inside of you an employee who is activated, empowered and directed to behave to do a very good job at the company.

When someone wants something, he has a goal, by because of that someone will be encouraged to reach his goals by doing something towards achieving those goals. If the goals are achieved, he will feel pleasure or satisfaction. When the worker situation has a sense of satisfaction, the company looks forward to its employees producing higher quality result in completing their task. If what the worker feels is uncomfortable and of no value, all the potential they have then can't be developed, therefore workers will lose their focus and find it difficult at work. The outcome research from (Dewi et al., 2019) state that work motivation has a positive effect on employee performance.

The higher level of satisfaction you have is because the increase in work factors that are in line with the interests of employees that. Also, if the factors in the job are not of great interest to the employees, this will lead to a decrease in job satisfaction. A situation satisfying feeling of how employees see work is called job satisfaction.

Leadership is an action to push and lead people so that they have the urge to work in achieving the desired goals. The definition indicates that someone who leads has to be involved in exercise of influence, therefore all personal relationships can constitute leadership efforts. Another aspect that sparks concerns is notabel of the communication process, how explicitly and trustworthy the communication might affect the behavior and performance of subordinates. Other cases, an effective leaders may have to deal with individual, group and organizational goals. Leader effectiveness is typically viewed as a measure level of attainment of the goals that is already set.

The relationship between leadership style and employee performance is where if leadership affects employees, employees will sense comfort and work enthusiasm noticeably increase so that the company will experience success in creating jobs. If leadership does not affect employees, the working atmosphere in the company tends to be uncomfortable and employees feel uncomfortable working in the company.

Job satisfaction can be reflected through the feelings in the hearts of employees with their work, which we can see from the behavior of workers with work and work environment. Work done by employees who feel it is according to their wishes, hopefully he will feel job satisfaction he does. Expert and skilled employees do not work well if the employee does not have good work motivation high, which can encourage him to complete his work. The outcome of research done by (Dewi et al., 2019) stated that job satisfaction has a positive and significant effect on employee's performance.

This research was conducted at PT Lautan Biru Raya, a paramedic company. Since the company was built back in 2005, it has set its goal to be able provide the highest level of service to people who need the company services. Every part of the service to visitors must be considered, then either of superiors with employees, employee with other employees must have a relationship between them so that they can have a sense of belonging to each other which will have an impact on the paramedic service process.

Table 1. 1 Indicators of Low Employee Performance at PT Lautan Biru Raya

Indicators of Employee Performance	Low Employee Performance Facts
Wages	Employees complain with the system payroll that is still lacking due to deletion incentives and services
The job itself	Employees are often unsure towards the work they do for lack education and training
Promotion	Opportunity for advancement and promotion for employees to occupy still a higher position felt less.
Supervision	Superior-employee relationship that tenuous makes employees unsure of own abilities own lack of motivational drive as well from bosses make employees more not confident
Work colleague	Conditions between colleagues uncomfortable and lacking coordination among employees decreased job satisfaction

Source: Prepared by Writer (2024)

From the table above it is seen that in PT Lautan Biru Raya, the employees' performance is low, which can be seen from the salary distribution system that is still not in accordance with the work being done. Employees are also found out to be not confident in their ability to carry out their duties due to a lack of education and training.

Other than that, the chance of getting a promotion is very low. In this case many employees find it difficult to get positions, also having lack of attention from superiors which results in a decrease in employee confidence impacting job satisfaction and work motivation that led to affecting their performance.

With the observation that was done toward the employees' work motivation, leadership, job satisfaction and performance, the writer decided to conduct the research with title "The Effect of Work Motivation and Leadership on Employee

Performance with Job Satisfaction as a Mediation Variable on Employee of PT Lautan Biru Raya”.

1.2 Problem Limitation

The problem limitation is utilized to maintain a strategic distance from abnormalities or broadening of the center point, permitting the investigate to be more centered and the wrangle about to be more beneficial, allowing the study objectives to be met. Work motivation and leadership as independent factors (X), job satisfaction as mediation variable (Z) and employee performance as dependent variables (Y) are some of the concerns in this study's limitations. The research was conducted at PT Lautan Biru Raya located on Ruko Harmoni Mas Blok B No. 32-40, Jakarta Utara.

1.3 Problem Formulation

Based on the above background, the formulation of the research problem is:

1. Does work motivation have partial influence on employee performance at PT Lautan Biru Raya?
2. Does leadership have partial influence on employee performance at PT Lautan Biru Raya?
3. Does job satisfaction have partial influence on employee performance at PT Lautan Biru Raya?

4. Does work motivation have partial influence on job satisfaction at PT Lautan Biru Raya?
5. Does leadership have partial influence on job satisfaction at PT Lautan Biru Raya?
6. Does work motivation on employee performance mediated by job satisfaction at PT Lautan Biru Raya?
7. Does leadership on employee performance mediated by job satisfaction at PT Lautan Biru Raya?

1.4 Objective of the Research

Based on the issue articulation that has been portrayed, the objective of this research are as follows:

1. To find out whether work motivation has significant impact towards employee performance of PT Lautan Biru Raya.
2. To find out whether leadership has a significant impact towards employee performance of PT Lautan Biru Raya.
3. To find out whether job satisfaction has a significant impact towards employee performance of PT Lautan Biru Raya.
4. To find out whether work motivation has a significant impact towards job satisfaction of PT Lautan Biru Raya.
5. To find out whether leadership has a significant impact towards job satisfaction of PT Lautan Biru Raya.

6. To find out whether work motivation has a significant impact towards employee performance mediated by job satisfaction of PT Lautan Biru Raya.
7. To find out whether leadership has significant impact towards employee performance mediated by job satisfaction of PT Lautan Biru Raya.

1.5 Benefit of Research

This analyst is anticipated in this investigate can give not only theoretical but useful for different parties in accordance with the purpose of the research, the uses of this research are:

1.5.1. Theoretical Benefit

The Theoretical, the writer anticipate that this investigate can be utilized as the writing fabric for hypothetical and references for other scholarly who needs to do assist research on representative execution. The author moreover trusts that this research's results can increase knowledge and insight about the effect of work motivation on employee performance with job satisfaction as a mediation variable.

1.5.2. Practical Benefit

Practically, the writer expects that this research can be used as follows:

1. For Scholar

It is expected that this research can supply information and serve as a reference in conducting research related to employee performance for other students.

2. For PT Lautan Biru Raya

The results of this study are expected to provide information as an evaluation material for agencies to deal with problems staffing, especially in improving employee performance

3. For the Author

In this research is to add insight, information and suggestions for the development and application of knowledge that has been gained during the lecture period.

4. For Further Research

The result of this research should be a reference source for further research into the effect of work motivation and leadership on employee performance with job satisfaction as a mediation variable.

