

CHAPTER I

INTRODUCTION

1.1. Background of the Study

Human resource management is the strategic approach to managing people in an organization. It's about creating a work environment where employees are motivated, engaged, and aligned with the company's goals. Human resource management covers everything from recruitment and onboarding to performance management and employee relations.

Performance is a critical factor in organizational success, helping to also improve overall productivity, profitability, and employee morale. By assessing employee performance regularly, companies can identify areas that need improvement, provide employee learning and development opportunities, and ensure that everyone is working towards the same goals. Based on research conducted by Sunarto et al. (2020), obtaining competence, work discipline and work environment have an influence on employee performance.

PT. Putra Berlian Plastiktama Medan is a company engaged in the production of plastic. Based on a preliminary survey conducted research that the performance of employees in this company has decreased. This is supported by employee performance appraisal data obtained from HRD PT. Putra Berlian Plastiktama Medan which can be seen in Table 1.1.

**Table 1. 1 Employee Performance Appraisal Data
PT. Putra Berlian Plastiktama Medan
(2023-June 2024)**

Description	Term I January – June 2023		Term II July - December 2023		Term I January – June 2024	
	Very Good Score >80-100	78 Employees	49,37%	52 Employees	36,36%	41 Employees
Good Score 60 – 80	54 Employees	34,18%	47 Employees	32,87%	51 Employees	37,78%
Bad Score < 60	26 Employees	16,46%	44 Employees	30,77%	43 Employees	31,85%
Total	158	100%	143	100%	135	100%

Sources: PT. Putra Berlian Plastiktama Medan (2024)

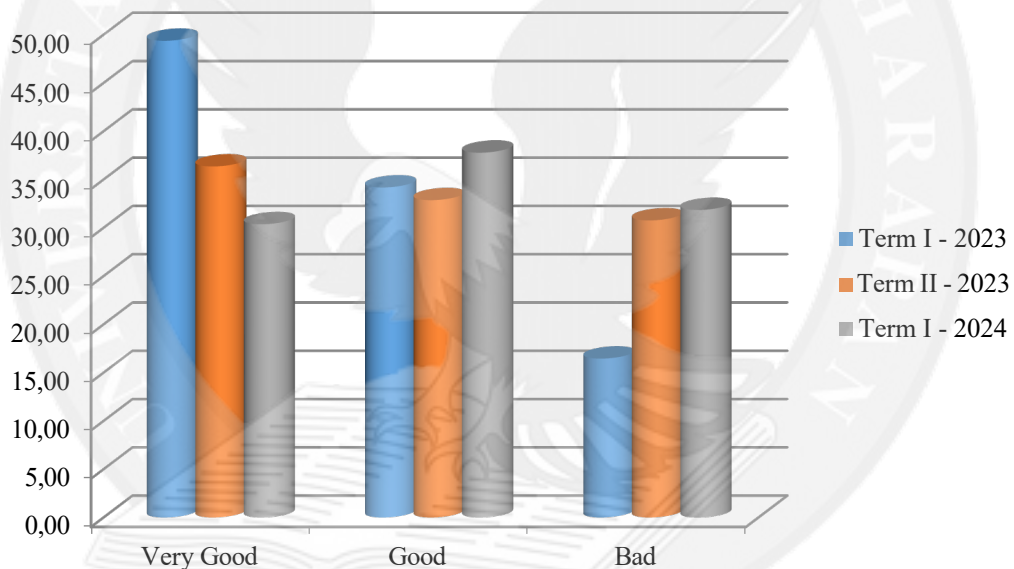


Figure 1. 1 Employee Performance Appraisal Data at PT. Putra Berlian Plastiktama Medan
Sources: PT. Putra Berlian Plastiktama Medan (2024)

In the data above, it can be seen that the performance assessment carried out in 2023 and term I in 2024 increased for employees who obtained a bad score (<60) from 16.46% to 31.85%. It can be concluded that the performance of employees in the company has decreased. The quality of work of employees

decreased which was reflected in the high work errors committed by many employees, the quantity of work could not be completed on time, many employees were ineffective in carrying out their operations in the company as seen from employees who violated company rules.

Competence plays an important role in personal and professional success, and the right placement of competencies is just as important. Competence in key areas of an organization contributes to its overall success. By ensuring that individuals have the right skills for the job, companies can achieve higher productivity, higher quality, higher customer satisfaction, and ultimately contribute to market success and competitiveness. Based on research conducted by Tanjung and Yuliana (2020), obtaining competence have an influence on employee performance.

Work competence at PT. Putra Berlian Plastiktama Medan which still does not support the implementation of better employee performance. Some of the problems found related to employee work competence are minimal employee task achievement seen from the results of work that is not in accordance with the direction of the leadership, the lack of work competence related to resolving work conflicts with colleagues so that in the end the impact on concern with colleagues is minimal and cooperation is difficult to establish. Another problem is also related to employees lack of good managerial skills seen from lack of motivation with colleagues who are experiencing problems in the implementation of their work. The phenomenon of competence can also be seen from the mismatch of work experience in the company can be seen in the table below

**Table 1.2 Lateness at PT. Putra Berlian Plastiktama Medan
(2023-July 2024)**

Division	Number of Employees with Suitable Experience	Number of Employees with Insuitable Experience	Total
Production	74 Employees	16 Employees	90 Employees
Quality	10 Employees	5 Employees	15 Employees
Marketing	8 Employees	6 Employees	14 Employees
Finance and Accounting	4 Employees	5 Employees	9 Employees
HRD	5 Employees	2 Employees	7 Employees

Sources: Prepared by the Writer (PT. Putra Berlian Plastiktama Medan, 2024)

Table 1.2 shows that there is a mismatch between employees and the work experience required by each work division. Majority of mismatched experience is those who do not have work experience such as just graduating from high school. This phenomenon results in employees having difficulty adapting to their work and completing work that cannot be completed quickly because there is no support from their work experience.

Work discipline refers to the process by which an organization enforces its rules and standards of behavior among its employees. It involves taking actions to fix policy violations, ensure compliance with rules, and maintain a respectful and productive workplace. Consequences for misconduct can vary from warnings to suspension or termination, based on the seriousness of the behavior. The goal of employee discipline is to correct behavior, deter future violations, and uphold organizational standard. Based on research conducted by Pragiwani et al. (2020), obtaining work discipline have an influence on employee performance.

The work discipline of employees at PT. Putra Berlian Plastiktama Medan has decreased due to the firmness in the provision of punishment that is less applied so that it triggers discrimination in the corporate environment. The

problem of work discipline is also related to sanctions that are too light, such as lateness in only cutting salaries (5,000). The following employee's lateness is:

**Table 1. 3 Lateness at PT. Putra Berlian Plastiktama Medan
(2023-July 2024)**

Year	2023	2024
January	84 times	118 times
February	89 times	124 times
March	101 times	113 times
April	106 times	127 times
May	113 times	134 times
June	97 times	141 times
July	102 times	-
August	89 times	-
September	106 times	-
October	114 times	-
November	85 times	-
December	125 times	-

Sources: Prepared by the Writer (PT. Putra Berlian Plastiktama Medan, 2024)

Table 1.3 indicates that the lateness rate of employees is high every month.

This shows that employees still do not have optimal time management. The lack of supervision of work carried out in each division of work, resulting in many employees who do not meet work procedures properly and appropriately. This makes employees become disobedient to company rules. Leaders who cannot be an example for other employees because they do not have good time management.

The work environment is where employees spend a substantial portion of their lives. When this space is rife with potential hazards and risks, it can induce stress and anxiety. The constant worry of accidents or injuries can cast a looming shadow over employees' daily experiences. This, in turn, not only affects their work performance but also seeps into their personal lives, leading to an overall decline in their quality of life. Based on research conducted by Prayudi et al. (2023), obtaining work environment have an influence on employee performance.

The work environment of employees at PT. Putra Berlian Plastiktama Medan is still less comfortable resulting in the concentration of work of employees who are disturbed and then have an impact on low employee performance. The problem of the work environment is the noise caused by the production machine is very disturbing the activities of employees, minimal air temperature in the workspace so it is not good for employees. In some workplaces, it is still too narrow so that the activities of employees are not too free. In addition, another problem is the relationship between employees who are still not in harmony because of the high level of competition and personal problems between employees. These various problems cause employees to have low employee performance.

Based on the focus of the problem, the writers wish to examine more deeply this research paper is entitled: **“The Influence of Competence, Work Discipline, and Work Environment towards Employee Performance at PT. Putra Berlian Plastiktama Medan”**.

1.2. Problem Limitation

Based on this research, this research conducted by focusing only four variables. Those variables are competence, work discipline, and work environment as independent variable and employee performance as dependent variable. The limitation of the discussion that has been determined by the writer is where the research focused at PT. Putra Berlian Plastiktama Medan. PT. Putra Berlian Plastiktama Medan is located in Komplek Pergudangan PT INNI B1, JL.

Letda Sujono Ujung, Blok A No. 37, Tembung, Medan Tembung. The time of this data collection is on from September 23-25 and 01-05 October, 2024

According to Sunatar (2022), indicators of competence are task achievement, relationship, personal attribute, managerial and leadership. According to Gatto and Awangga (2023), indicators of work discipline are leadership exemplary, Justice, supervision, punishment and firmness. According to Sariwulan and Ghotar (2024), indicators of work environment are lighting, air temperature, noise, color and space, employee safety and relationships. According to Moko (2021), indicators of employee performance are quality, quantity, timeliness, effectiveness, and independence.

Here are the details of the research :

Table 1.4 Research Timeline

No.	Description	August				September				October			
		1	2	3	4	1	2	3	4	1	2	3	4
1.	Research Tittle Submission	■											
2.	Proposal Preparation		■	■	■								
3.	Data collection					■							
4.	Proposal						■	■	■				
5.	Questionnaire Distribution									■	■	■	
6.	Data processing											■	
7.	Skripsi Preparation												■

Sources: Prepared by the Writer (2024)

1.3. Problem Formulation

Based on research on the company produced by the writer, the writer makes the problem formulations in the questions in this study such as:

1. Does Competence have partial significant influence towards Employee Performance at PT. Putra Berlian Plastiktama Medan?

2. Does Work Discipline have partial significant influence towards Employee Performance at PT. Putra Berlian Plastiktama Medan?
3. Does Work Environment have partial significant influence towards Employee Performance at PT. Putra Berlian Plastiktama Medan?
4. Do Competence, Work Discipline, and Work Environment have simultaneous significant influence towards Employee Performance at PT. Putra Berlian Plastiktama Medan?

1.4. Objective of the Research

From the formulation of the problem compiled by the writer, the writer makes the research objective of the problem in this study such as:

1. To investigate whether Competence have partial significant influence towards Employee Performance at PT. Putra Berlian Plastiktama Medan.
2. To investigate whether Work Discipline have partial significant influence towards Employee Performance at PT. Putra Berlian Plastiktama Medan.
3. To investigate whether Work Environment have partial significant influence towards Employee Performance at PT. Putra Berlian Plastiktama Medan.
4. To investigate whether Competence, Work Discipline, and Work Environment have simultaneous significant influence towards Employee Performance at PT. Putra Berlian Plastiktama Medan.

1.5. Benefits of the Research

For the research on Competence, Work Discipline, and Work Environment can influence on customer Employee Performance at PT. Putra Berlian Plastiktama Medan, this research has two benefits:

1.5.1. Theoretical Benefit

Research competence, work discipline, and work environment on employee performance at PT. Putra Berlian Plastiktama Medan is expected to be used as a lesson, information and as reference material to other parties to focus on future research.

1.5.2. Practical Benefit

Based on the purpose of this research can provide research benefits:

a. For the Writer

In this study, the writer has the ability and capability about competence, work discipline, work environment, and employee performance to be able to understand the knowledge in this study. This study is expected to be used as a reference to determine employee performance. So that the company can determine strategies to improve the assessment of employee performance better.

b. For Company

In this study, PT. Putra Berlian Plastiktama Medan is able to evaluate and understand about the problems regarding the influence of competence, work discipline, and work environment towards employee performance at PT. Putra

Berlian Plastiktama Medan. This study provides a bright spot for the company to make improvements after conducting a survey of this company.

c. For other researchers

In this study results, other parties can be use this research paper about the influence of competence, work discipline, and work environment towards employee performance to be reference in focusing on future research.

