

## CHAPTER 1

### INTRODUCTION

#### 1.1 Background

In an organization, human resources (HR) are not only a tool in production but have an important role in the production activities. The current position of HR is not only as a means of production but also as a driver and determinant of the ongoing production process and all other organizational activities. HR has a big role in determining the progress or development of organization. Therefore, the progress of an organization is determined by the quality and capability of HR in it.

Human resource as the foundations on which future development. Qualified labor work will result in an optimal outcome a result with its targets. Humans as workers or employees is a important resource for the company because, they have the talent, energy and creativity that is needed by the company to achieve its objectives. Instead of human resources also have a wide range of needs that wants to fulfill. the employees' desire to meet the needs which can motivates someone to do something and to conduct the work or works.

Employee Performance signifies individual's work achievement after exerting required effort on the job which is associated through getting a meaningful work, engaged profile, and compassionate colleagues/employers around (Hellriegel, Jackson, & Slocum, 1999; Karakas, 2010). In order to utilize HR fully and augment organizational success, effective employee performance management system is imperative for a business organization. The performance-driven objective is expected to be aligned with the organizational policies so that the entire process moves away from being event-driven to become more strategic and a people-centric perspective (Jena, & Pradhan, 2014; London, 2003; Mone, & London, 2009).

Why do some organizations perform better than others and get listed as most preferred employer of the year? Earlier findings have suggested for deploying lucrative incentive schemes for motivating the employees toward meaningful job participation (Friedman, & Sunder, 1994; Roth, 1995; Smith,

1991; Sprinkle, 2000). At the same time, there are sufficient pragmatic evidences showing that financial offers have varying effects and may not be of much.

A sense of high personal efficacy may help sustain motivated efforts, even in light of adverse conditions and uncertain outcomes. At the same time, it is unlikely that employees would act based on high self-efficacy beliefs if they didn't expect certain incentive motivators, such as recognition or extra pay, from those behaviors. In other words, employee self-efficacy can be predictive, but it does not negate the importance of motivation to pursue the initial course of action.

Employee performance is instrumental to organisational growth and profitability. The employees are regarded as the major business resources that facilitate the daily activities and operations of an organisation (Mudah, Rafiki & Harahap 2014). Similarly, Oluwafemi (2010) asserted that organisational effectiveness and efficiency depends on how effective and efficient the employees in the organization are. Employer's ability to comprehend employee's satisfaction as it relates to schedules and daily responsibilities will impact greatly on employee productivity and performance.

Howard (2009) view job satisfaction as a blend of likable and unlikable moods or behaviour of an individual worker on their work schedule, implying that when an individual is employed such individual might come along with desires, wants and anticipations which define their meaning for being there. Satisfaction on a job symbolises the enormosity to which optimism are align with real rewards and benefits. According to Mowday, Porter and Steers (2013), most employees of today have a high degree of job dissatisfaction which create attitudes that are undesirable on the job and in turn degenerate their performance ability and that their working place as well.

Studies on work motivation mainly focused on the factors that contributed being attained. On the other hand, not much research on its impact towards performance was made (Dinler, 2008). Studies on work motivation have been carried out over the years but they are largely based on the organization and very few studies on motivation have been done in company. There has been a great challenge on the part of managers in company on determining how exactly they

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can attain maximum motivation for their employees whom they believed would go a very long way to improve on the organizational performance.

Many managers have tried to attain motivation of their employees by trying to use methods that are very successful in other areas around the world and have desolately been dissapointed, but the reason is simply beacuse the research was not directly relevant to their own employees. It is for that reason that this research intend to fill in the knowledge gap.Employee performance is very important for the success of a company as a whole so that business owners need employees who are able to work effectively. Managers need to understand the main benefits of employee performance so that they can develop consistent and objective methods to evaluate employee performance.

Improving the self-efficacy will affect employees' perceptions about job and satisfaction. Therefore, it is necessary for the manager to improve the employee's self-efficacy to produce job satisfaction. It is therefore very important for management of organizations to put adequate measures in place to enhance motivation as it helps to induce employees and increase organization"s productivity. Motivation and employees increased performance are like two sides of one coin. The essence of setting up organization is for it to employ workers and make them comfortable working while employees in turn yield their energies to make the organization profitable.And also job satisfaction have a significant and direct relationship to employee performance, implying that a satisfied employee is believed to have higher performance level. The study will aid the management in policy formulation regarding promotion, pay, training and other factors as it relates to the performance of employees in the organisation.

The company successfully manage its business, and also PT Sinar Kreatif not only focus as a contractor but they also produce sofas that have been shipped out of Java island (middle class) and some are exported abroad (top class - exclusive) depending on the various models of the sofa requested by the customer, so this is worthy of research because there is a potential leader is very important role in the success of the business.In the company the performance of

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its employees is still not good enough based on information related to the performance from the company there are around 60 employees often wasting time without doing part of the work, gathering tasks is often late, not deft in completing a task, lack of supervision and feedback from superiors, employee aren't recognised for their effort.

So it is the duty of the manager to maintain the performance of their employees, but appraisal of good employee performance is not only seen from the results it does, but also from the employee's process in completing the work. In this case there are several things that need to be known, namely whether employees are able to complete their work or their respective tasks, whether they are satisfied with the manager's behavior or the situation and conditions in work, have they been motivated both from themselves and externally themselves. And the focus is knowing how productive an employee is and whether they have the same performance, so that employees and companies benefit. Based on the above background research entitled The Impact of Self Efficacy, Job Satisfaction, and Work Motivation on Employee Performance will be conducted.

## **1.2 Research Questions**

This section deals with formulation of the research question that will help to achieve the objectives of the study. They are :

1. Does self efficacy have impact on employee performance?
2. Does work motivation have impact on employee performance ?
3. Does job satisfaction have impact on employee performance ?

## **1.3 Objective of The Study**

Based on the background above, the objective is to analyze the impact of :

1. Self efficacy on employee performance at PT. Sinar Kreatif Indonesia surabaya
  2. Work motivation on employee performance at PT. Sinar Kreatif Indonesia surabaya
  3. Job satisfaction on employee performance at PT. Sinar Kreatif Indonesia surabaya
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#### **1.4 Significance of The Study**

Based on the background above, the significance of the study is as follow :

1. Academic Significance

The result of this study is expected to be able to widen the skill of the student know about impact of self efficacy, job satisfaction and work motivation to employee performance.

2. Practical Significance

The result of this study will be useful as a consideration for PT. Sinar Kreatif Indonesia management in Surabaya concern improving their employee performance by self efficacy, job satisfaction, and work motivation.

#### **1.5 Writting Organization**

The writing organization of this study is divided into three chapters and arranged as follows :

##### **Chapter 1 : INTRODUCTION**

This chapter consist of background of the study, research questions, research objectives, significant of the study, and writing systematic of this study.

##### **Chapter 2 : LITERATURE REVIEW**

This chapter presents the previous study, relevantjurnal, theoretical background and hypothesis. The theoretical background explains about Self Efficacy, Job satisfacton, and Employee Performance and also the relation among variables, research framework and hypothesis.

##### **Chapter 3 : RESEARCH METHOD**

This chapter describes the process of analyzing data including research design, identification of variable, operational definion, type of source data,

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variable measurement, data collection method, population, sample and sampling technique, data analysis technique, validity and reliability, fitness model task, and hypothesis testing.

#### Chapter 4 : ANALYSIS AND DISCUSSION

This chapter consists of research data description, data analysis, and discussion. It is also discussing about respondent description, research variable statistic descriptions, and hypothesis testing.

#### Chapter 5 : CONCLUSION AND SUGGESTION.

This chapter is the closing of this study that consists of conclusion and suggestion for the research object and for the consumer or researcher to do a further research.

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