CHAPTER 1
INTRODUCTION

1.1   Background of Study

Human resources are one of the important factors for improving employee performance. Every organization trying to obtain human resources who can assist in achieving organizational goals. Human resources are valuable and beneficial assets for the organization, because the success or failure of the organization is determined by the human element. Human resources are one of the important factors that determine progress or decline organization. Quality human resources in an organization make activities run well and effectively. Every organization always tries to get human resources who can help in achieving organizational goals (Kalesaran, 2012)

Employee performance is considered influencing, because it measures how much they provide positive work results to the organization. Positive employee performance can be achieved, if the company can find out the factors that affect employee performance. Employee performance is influenced by two main factors, namely motivation, and work discipline is a central factor in an organization and the results of a number of studies serve as a reference for these findings (Ali et al., 2016) & (Riswanto, Dasman Lanin, 2018). Previous research conducted by(Sajangbati, 2013) states that work discipline & work motivation have a positive and significant effect on employee performance.

According to (Bangun, 2012) Human resource have an important role to achiving company target. Therefore, attention is needed specifically so that company performance can be maximized. Employee Performance of the company will decline. Where employees with poor performance will lack morale make the target company becomes unsuccessful so the company will it's hard to compete with other companies and in the end it can to Correct bankruptcy if not immediately given the right solution to resolve the performance problem

Running a fitness company is required to continue to reform in various aspects, especially in the HR field. One company in the form of a fitness is the Stellar Powerhouse Head Quarter which is located at Surabaya. The company was founded in 2016. Stellar Powerhouse has 56 employee. Stellar powerhouse Surabaya with the calisthenic concept of dividing classes into classes namely Private, Regular, Fatloss, Boxing, Prime, and corporate training

Based on pra-survey activities conducted by the author using the interview method by HRD Stellar Powerhouse obtained information about the Stellar Powerhouse compensation in the last three months at the end of 2020, from March to May. Improved employee performance increased from March to May as evidenced by the higher level of consumer complaints about Stellar Powerhouse in March and increased until May. Indications of decreased employee performance are also evidenced by the inaccuracy in the time of receipt by employees. There are still a number of companies that need difficulties to solve everything about members and to be able to arrive on time.

Based on information obtained from the Stellar Powerhouse that is known so far, the decrease that occurred by several factors is presented in the table below:

Table1.1 Pre-Survey Results Regarding The Cause of Declining Performance of Stellar Powerhouse Employees

Number	Factors Causing a Decline in Employee Performance	Number of Respondent	Percentage
1	The Accuracy of Task Completion	16	20%
2	The Level of Suitability of Working Hours	8	10%
3	The Level of Decreased Attendance	24	30%
4	the level of achievement, and cooperation between employees	32	40%
	total	80	100%

(Source: Survey Results from HRD Stellar Powerhouse 2020)

Work discipline is the attitudinal factors in acting that affects the employee performance (Turangan & Tielung, 2016)Stellar Powerhouse has a low level of discipline, proven with inaccuracies when they come to work. The low level of discipline of Stellar Powerhouse employees occurs because the rules set by the fitness for employees are not once noted, the absence of severe sanctions for employees who violate, as well as less attention from superiors to subordinates.

According to information from HRD Stellar Powerhouse is known that's all this time the low labor discipline of star workers can be caused by several factors presented below:

Table 1.2 Pre Survey Results Regarding the Causes of Low Labor Discipline of Stellar Powerhouse Employees

Number	Factors Causing Low Discipline	Number of answers	percentage
1	Regarding attitude: lack of awareness employees in carrying out tasks	24	30%
2	Related to the norm frequentemployees violating the rules	40	50%
3	Related responsibilities: lack employee ability in carry out the task	16	20%
	Total	80	100%

(Source: Survey Results from HRD Stellar Powerhouse 2020)

The employee is the main asset of the organization and has a strategic role in it, namely as a thinker, planner, and controlling the activities of the organization. To achievement of organizational goals, employees need the Work motivation to be more diligent. Seeing the importance of employees in the organization, then employees need more serious attention to the work done so that organizational goals are achieved.

PT Stellar Powerhouse is a sports training service company engaged in the fitness sector. Services from PT Stellar Powerhouse are Personal Trainer Services. PT Stellar Powerhouse in shaping work motivation for employees provides training in the form of training for two weeks, both training training methods and also providing service knowledge teaching. A leader who provides a view of the outside world, thus making workers aware of their competitors and how to overcome existing competition. Table 1.1 shows that the work of PT Stellar Powerhouse employees has not been optimal, causing sales of services to go up and down from month to month.According to Dedy Darsono Gunawan (2020). PT Stellar Powerhouse prioritizes job satisfaction for its employees. Employees who reach the target in sales, the company will give commissions and bonuses to employees. Salary payments are always on time to employees, namely at the end of the month. PT Stellar Powerhouse

applies a family system at work, so that relationships with colleagues and superiors are good. Based on the sales data of PT Stellar Powerhouse for March 2020- May 2020 there was instability in sales by the Marketing division of PT Stellar Powerhouse so that for commissions and bonuses not all employees get and prove that employee performance in selling products that are unstable.The regulations at PT Stellar Powerhouse are classified as using standard regulations, so that employees at PT Stellar Powerhouse have prioritized high work discipline both in the regulations within the company. The system that employees must implement before working is required to participate in training activities that are held for two weeks. The training applied is carried out to form work discipline for employees related to learning and practices. The level of employee work discipline and employee motivation will greatly influence employee performance improvement and increase company productivity. The company cannot run well if manager of the company in the work discipline and work motivation of employees is not well supported. Stellar Powerhouse Referring to the description, the researcher raised the title of the study on "The Influence of work discipline And work Motivation Toward Employee Performance On Stellar Powerhouse".

1.2   Research Questions

Based on the background of the existing problems, the author wishes to discuss more about:

1. Does work discipline influence employee performance on Stellar Powerhouse?
2. Does the work motivation influence employee performance on Stellar Powerhouse employees?

1.3   Objective

Based on the research problems formulated above, the objectives are want to be obtained from this research as follows:

1. To analyze the influence of work discipline on employee performance.
2. To analyze the influence of work motivation on employee performance

1.4   Researcher significances

Significanses from the research that has been done is as follows:

1. Academic Significance
    1. The results of this study can use for other research in the future that similar or continued from this study especially in the field of human resource management
    2. Identify and Analyze clearly about the influence of work discipline and work motivation toward employee performance
2. Practical significance
    1. Provide information for companies who want to increase the employee performance
    2. To provide information for company or as a reference to create creative and innovative to increase employee performance
    3. To be a reference for managers to make a decision in the future

1.5   Scope of the Study

The scope of the study contains the systematic writing of this study divided into five chapters as follows:

Chapter 1: Introdoction

This chapter describes the background, problem formulation, objectives and the benefits of research, the scope of the research, and the systematics of writing.

Chapter 2: Literature Review

This chapter contains theories in the form of definitions and definitions taken from excerpts from books related to the preparation of thesis reports as well some literature review related to research.

Chapter 3: Research Methdology

This chapter contains research design, research variable identification, type and data sources, operational definitions, population, variable measurement scales, data backfill methods, and sampling techniques, data analysis, test validity, reliability, and fit of structural models.

Chapter 4: Analysis and Discussion

This chapter describes the identification of respondents, variable descriptive statistics research, the results of data analysis which contains the tests carried out in Multiple linear regresion analysis, hypothesis testing and also discussion of the problem under study.

Chapter 5: Conclution, Limitation, and Suggestion

This chapter contains conclusions from the data analysis which is the result of the research done, the limitations possessed by the author in conducting research, and advice relating to analysis and optimization of systems based on that has been described in previous chapters.