

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Small family business can achieve superior performance due to kinship relationships being close allows the owner to better manage between business and family and for verify their agent's behavior to be more effective. In addition, in many family companies there are also companies who employ its members in the business, because the resources of family members can reduce company needs to find employees outside company. Unique structure owned by the company this family is what motivates the family manager to work towards company-centered goals and contribute to the performance of the family company (Arthadian, 2017).

The success of the organization depends on the performance of the actors of the organization concerned. Therefore, each work unit in an organization must be valued for its performance so that the performance of human resources contained in the units in an organization can be assessed objectively. The problem of discipline by employees in the organization both superiors and subordinates will give a tone to the performance of the organization. Organizational performance will be achieved if the performance of individuals and group work is improved (Sutrisno ,2016).

Performance is a result of work achieved by someone in carrying out the tasks assigned to him based on skill, experience, and sincerity as well as time. An employee's performance can be measured from the results of activities within a

certain period of time to what can be done in accordance with the duties and functions and can be disciplined in complying with applicable rules.

Employee work discipline is the morale that characterizes a person's or a group's beliefs. Good employee work discipline can result in the performance of productive employees and have confidence in positive performance results, and vice versa, poor employee work discipline will reduce employee performance in the company. Basically, employee discipline comes from within the employee. However, efforts are also needed by the company to motivate employees in an effort to encourage increased employee compliance. High employee work discipline will spur the level of employee compliance in working so that it can work well, effectively and efficiently.

The reason for choosing this company PT Tunggal Jaya Mitra Abadi Medan as a place of research is because the company is growing and giving permission to conduct research in apprenticeships and theses. The selection of the variable title of work discipline and employee performance is the result of interviews of some employees who work in the company stating that "employees most often do not have time efficiency either at work or in attitude and in recent months some parts of employee performance has decreased because many employees completing his task not on time "

PT Tunggal Jaya Mitra Abadi Medan is engaged in the field of vehicle and oil parts. PT Tunggal Jaya Mitra Abadi Medan is located at Jalan Pulau Menjangan Blok B3 KIM 2 Medan. PT Tunggal Jaya Mitra Abadi Medan is a family company that is owned, control and run by members of one or several families or managed by family members. PT Tunggal Jaya Mitra Abadi Medan is

engaged in the field of vehicle and oil parts. However, this does not mean that all workers in the company must be family members. Family participation in the PT Tunggal Jaya Mitra Abadi Medan company can strengthen the company because usually family members are very loyal and highly dedicated to their family-owned companies.

Table 1.1
Employee's Lateness and Attendance Data
January – June 2019

Month	Late	Absent
January	18	8
February	21	11
March	24	16
April	23	7
May	26	14
June	27	9

Sources: HRD PT Tunggal Jaya Mitra Abadi Medan, 2019

The decline in employee performance at this company is reflected in a decrease in the level of accuracy of employees in carrying out their duties and responsibilities and the work cannot be completed on time.

Based on interviews with several employees that there is a decrease in the work discipline of PT Tunggal Jaya Mitra Abadi Medan, which can be seen from the level of employee delays which often exceed the work hours set by the company. In practice many employees come late and there are some employees who like to go home quickly if the leader is not present at the company. Despite the sanctions imposed by the company on employees who commit violations in the form of deductions from employee salaries. In addition, the level of absenteeism also increased, this reflects low work discipline. This absence caused a lot of work to be delayed.

From the description that has been there before, it encourages researchers to discuss in the thesis under the title **"The Effect of Work Discipline on Employee Performance at PT Tunggal Jaya Mitra Abadi Medan."**

1.2 Problem Limitation

Due to limitation of time and budget, this research will be limited on the discussion about the relation of work discipline towards the employees' performance at PT Tunggal Jaya Mitra Abadi Medan. This research is also limited based on researcher's knowledge and findings. It is also limited at PT Tunggal Jaya Mitra Abadi having its address at Jalan KIM 2 Medan.

According to Hasibuan (2016), indicators of employee work discipline are retribution, justice, supervision attached, penalty sanctions and firmness.

According to Bangun (2015: 234), to measure employee performance is as follows amount of work, quality of work, timeliness, presence, ability to work together.

1.3 Problem Formulation

The writer finds several problems being faced, which are:

1. What is the current level of employee discipline at PT Tunggal Jaya Mitra Abadi Medan?
2. How is the current performance of employees whether it can drive the company's revenue at PT Tunggal Jaya Mitra Abadi Medan?
3. How does work discipline effect employee performance at PT Tunggal Jaya Mitra Abadi Medan?

1.4 Objective of the Research

The objectives of the research are as follows:

1. To analyze the level of employee work discipline PT Tunggal Jaya Mitra Abadi Medan
2. To analyze the performance of the employees of PT Tunggal Jaya Mitra Abadi Medan
3. To examine the effect of work discipline on employee performance at PT Tunggal Jaya Mitra Abadi Medan.

1.5 Benefits of Research

From doing this research, the company will know how to PT Tunggal Jaya Mitra Abadi Medan the worker to give the best performance. If the worker can give the best, so the performance of worker or service will be better.

1. Theoretical Benefit

The Practical aspect and uses of theoretical study. The research on the management can help student to better understand the problem that the company is facing and this information might solve the company's problem and allow researchers to achieve their academic mission.

2. Practical Benefit

a. Writer

The research can help the writer understand the further theories that are taught in university and the reality in the working environment.

b. Company

This research can be a successful aid for to the company to motivate employees and reach their potential growth.

c. Future Researchers

This information can as a knowledge for future researchers to inspire them and help in difficulties of their studies

