

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Nowadays, Indonesia has done type of business from opening store to opening start-up business. Start-up business is considered difficult to start if lack of experience, funds and connection. One of the businesses that can be seen is an importing business in Medan, which CV Sukses Mulia Agung that has a good reputation. Many daily used items are an importing business from steels to tables mostly is imported from China and Malaysia.

CV Sukses Mulia Agung is a start-up business that is established in 2018 which provides services to import and ship steels, electronics, plastics, etc. from overseas and sends it to the customers. CV Sukses Mulia Agung is built due to the owner sees an opportunity to start a new business. The owner of CV Sukses Mulia Agung has sudden communication to open an importing business in Medan. CV Sukses Mulia Agung is a company that also provides forwarding and shipping company in Medan to Jakarta and Semarang.

It is important to understand the relation and impact of transformational leadership towards working performance in the company because it is said that the existence of Transformational Leaders' leadership has both positive effect towards organizational and individual performance.

According to Berkovich (2016) as cited Dr. V. Ribiere book (2018) stated that “Transformational Leadership play a great role in the context as they could encourage followers’ to learn, achieve their full potential, and break through learning boundaries.” (p. 107). Transformational Leadership must show the commitment and integrity to achieve goals through personal sacrifices and being trustworthy in order to inspire employees. Transformational Leadership does not only motivating employees but also increasing and maintaining the working performance in CV Sukses Mulia Agung.

There is a phenomenon in the company which the decreasing of working performance within 1 year from 64 percent then increase to 69 percent then suddenly decrease to 48.9 percent since the company established. The writer has done interview and observation in the company which most of the employees are commending in leaders’ behavior that influence their working performance therefore the writer suspect that the company would need a transformational leadership to increase working performance.

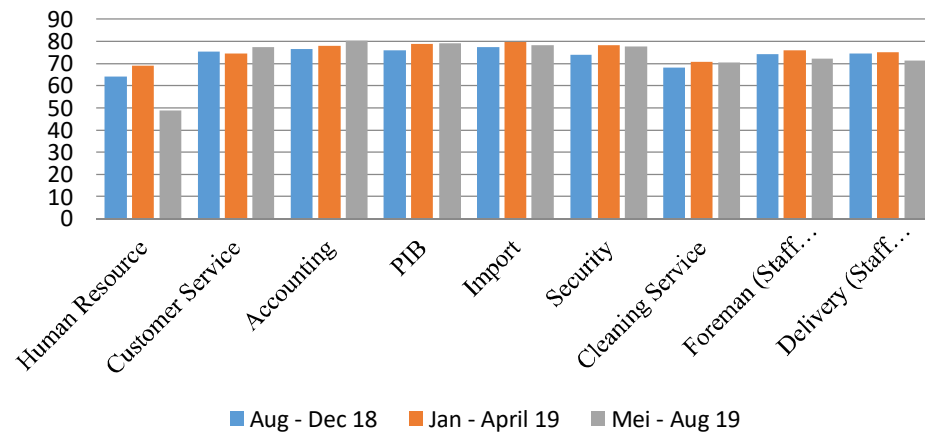
Table 1.1 Employee Working performance at CV Sukses Mulia Agung in year 2018 and 2019

Employee Working Rate per Quarter			
Department	Aug - Dec 18	Jan - April 19	Mei - Aug 19
Human Resource	64.0	69.0	48.9
Customer Service	75.4	74.6	77.3
Accounting	76.6	77.8	80.2
PIB	76.1	79	79.3
Import	77.4	79.7	78.4
Security	74.1	78.1	77.6
Cleaning Service	68.1	70.7	70.6
Foreman	74.3	75.9	72.2
Delivery	74.5	75.1	71.3

Source: HRD CV Sukses Mulia Agung (2019)

Formula = Rate from manager x number of lateness per month x memorandum divide by total number of employee per department divided by 4 months

Employee Performance Rating



Figures 1.1 Employee's working performance rating

Source: Writer (2019)

The reason of choosing this title is to determine whether leadership behavior is the reason of decreasing in the working performance. In addition, to determine whether transformational leadership could help employees and organization to increase their working performance. These are the reasons of the writer would choose **“The Influence of Transformational Leadership on Working Performance at CV Sukses Mulia Agung.”**

1.2 Problem Limitation

This research is focusing on the influence of transformational leadership which according to F. Arisa, et al (2018) in their journal with indicators idealized influence, inspirational motivation, intellectual stimulation behaviour, and individualized consideration towards employee performance with indicator in teamwork, communication, motivation, punctuality and behavioural traits at CV Sukses Mulia Agung.

It is a start-up company that do shipping business from overseas to Indonesia. It is difficult for the writer to get information due to limitation information that is provided in internet and writer knowledge. The writer must do the survey or interview to obtain the accurate information, or the writer must be the company employee to get any information.

1.3 Problem Formulation

The following are the problem formulation after doing observation and interview at CV Sukses Mulia Agung.

1. How is the leadership at CV Sukses Mulia Agung?
2. Has the working performance increased at CV Sukses Mulia Agung?
3. Does Transformational Leadership influence the working performance of employee at CV Sukses Mulia Agung?

1.4 Objective of the Research

The following are the objective research

1. To analyse the leadership behaviour in the company.
2. To Identify the working performance in the company
3. To identify whether employees' working performance is influence by transformational leadership or other external factors

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

Theoretical benefit will help this research in developing the theories of transformational leadership towards working performance.

1.5.2 Practical Benefit

- a. For the writer, this research can give additional knowledge in understanding of entrepreneurship and transformational leadership.
- b. For other researcher, this research can be used as material for conducting research with similar topics.
- c. For the company, this research can provide recommendation for the company in improving employee working performance with transformational leadership.

