

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 BACKGROUND OF THE STUDY**

Today's work pressures of achieving the goals in the shortest time, demand an employee to perform beyond the requirements of his duties. When an employee performs his duties beyond the requirements of an employer without expecting any reward in return, it is known as discretionary behavior. For the last two decades, discretionary behavior of employees has been a major construct in the field of organizational behavior, thus it has received a great deal of attention in the past studies. Discretionary behavior and organizational citizenship behavior have been considered as synonyms for each other (Kumari and Thapliyal, 2018)

Nowadays, organizations have started attributing their success to its employees. In the absence of hardworking and dedicated employees, many organizations had not been where they are today. It is most probable that the hardworking and dedicated employees were not only performing their assigned duties or task, but also performing beyond the expectation of their employer to benefit the organization as a whole. The extra role performance where an employee performs his duties beyond the expectation of the employer has been termed as Organizational Citizenship Behavior (Kumari and Thapliyal, 2018).

Today, success of companies and institutions depends on employees behavior within the organization. Organizations are not able to enhance their business performance without voluntary willingness of employees. Therefore, understanding employee's behavior is needed to be considered by managers. Meanwhile,

employee's work behavior is related with organizational citizenship behavior. Employees who display organizational citizenship behavior are more likely to perform their duties in accordance with law, regulation and standard acceptable to the organization. Moreover, employees also perform duties beyond their responsibilities and use their energy and insight for developing their abilities in favor of organization. They often ignore their personal interests to benefit the organization as a whole.

Organization will get benefits from encouraging employees to engage in organizational citizenship behavior in order to increase the efficiency, customer satisfaction and reduce the costs of turnover and absenteeism. Therefore, the organization should promote organizational citizenship behavior in the workplace through employee's motivation (Al-Mahasneh, 2015).

Organizational citizenship behavior is positive for the organization and has many benefits for managers and employees. Managers who believe in organizational citizenship behavior provide a desirable environment for cooperation of the members of the organization. Organizational citizenship behavior helps managers to spend less time on how to direct employees to perform their duties and focus on opportunities to improve organizational performance (Sadeghi, Ahmadi, and Yazdi, 2018)

PT Sehat Global Otomotif is a private owned family business with approximately 335 employees in Medan. PT. Sehat Global Otomotif is located at Jl. Danau Toba No.8, North Sumatera. Meanwhile, Bengkel Sehat Group has launched 4 outlet in North Sumatera. It is located at Jl. Sei Batang Hari No.15, Jl. H.M Joni, Jl. Krakatau No. 7I, and Jl. Gatot Subroto No. 80. PT. Sehat Global Otomotif is a service company that specialized in automotive maintenance services such as Spooling & Balancing, Washing &

Detailing, Body Repair, Oil, AC, Spare part, Accessories, etc. Moreover, PT. Sehat Global always uses top-quality products with well-trained and professional worker.

Since organizational citizenship behaviors are more likely relating to the business performance. Therefore, this extra-role behavior is strongly supported by the company. However employees of PT. Sehat Global Otomotif perform organizational citizenship behavior not maximum enough.

This research is an important step forward finding out the influence of an organizational citizenship behavior towards business performance at PT. Sehat Global Otomotif.

Based on the problem above, the writer is interested to make the research paper with the title of **“The influence of Organizational Citizenship towards Business Performance at PT. Sehat Global Otomotif in Medan”**.

## 1.2 PROBLEM LIMITATION

Due to the limitation of time, knowledge, experiences and capability that the writer has. Thus, the research and survey need to be limited. This research will be focused on the influence of organization citizenship behavior towards business performance at PT. Sehat Global Otomotif. The indicators of organizational citizenship behavior are altruism, courtesy, conscientiousness, civic virtue, and sportsmanship. Meanwhile, business performance indicators are management quality, openness and action-orientation, long-term orientation, continuous improvement and renewal, and workforce quality.

### **1.3 PROBLEM FORMULATION**

Based on the background outlined before, the formulation of the research problem is as follow: Does organizational citizenship behavior influence business performance at PT. Sehat Global Otomotif?

### **1.4 OBJECTIVE OF THE RESEARCH**

Based on the research problem formulation then objectives of this research is to find out the influence of organizational citizenship behavior towards business performance at PT. Sehat Global Otomotif.

### **1.5 BENEFIT OF THE RESEARCH**

The benefits of the research according the objective and problems found during the research. These can be separated into two kinds of benefit, which are:

#### **1.5.1 THEORETICAL BENEFIT**

This research uses the theory of organizational citizenship behavior and business performance. It is hoped that after finishing the research, it will benefit the writer by giving an additional knowledge about an organizational citizenship behavior and a business performance theory.

#### **1.5.2 PRACTICAL BENEFIT**

By doing this research, PT. Sehat Global Otomotif will gain an insight of the influence of organizational citizenship behavior towards business performance. Therefore, PT. Sehat Global Otomotif can considerate this research for making an important decision towards its organizational citizenship in order to increase business performance. Moreover, it can also be used as a references for next research.

## 1.6 SYSTEMS OF WRITING

### Chapter I (one) : Introduction

This consists of background of study, problem limitation, problem formulation, objective of the research, benefits of the research which consists of theoretical benefit and practical benefit, and systems of writing.

### Chapter II (two) : Literature review and hypothesis development

This consists of theoretical background, previous research, hypothesis development, research model, and framework of thinking.

### Chapter III (three): Research Methodology

This consists of research design, population and sample, data collection method, operational variable definition and variable measurement, and data analysis method.

### Chapter IV (four): Data analysis and discussion

This consists of general view of research object, data analysis which includes descriptive statistic, result of data quality testing and result of hypothesis testing, and discussion.

### Chapter V (five) : Conclusion

This consists of conclusion, implication and recommendation..