

# CHAPTER I

## INTRODUCTION

### 1.1 BACKGROUND OF THE STUDY

In this globalization era, which is indicated by rapid developments, companies are required to adapt in all aspects that might be needed in order to maintain their business. One of the aspects might include human resources. According to Prihantoro (2015), the advancement of knowledge, development, and technology factors can be refers as human resource. Accordingly, competent employees which have high discipline in carrying out their tasks are very needed in this era. Discipline can be refers to a person's awareness and willingness in order to obey all of the regulations set by company and also social norms. (Hasibuan, 2017)

In additions, the existence of work discipline is very needed in a company, seeing that discipline environment in a company can increase the efficiency, effectiveness, and also productivity of employees. Hence, in order to discover whether the employees are discipline enough, a company can monitor their employees in performing their jobs, which can be called employee performance. According to Thorvald & Case (2018), employee performance refers to the key asset and success of a company, which employee performance tend to be more critical in small and medium business.

The improvement of economy sectors have also brought a rapid development in business sectors. One of them is automotive business, which have mushrooming in Indonesia. People use transportation in order to do their activities, moreover, due to the rampant infrastructure construction in Indonesia that needs construction or heavy equipments. It can be viewed by product side, business opportunity from this sector is very well, because this type of product can not be slate and the price tends to be higher. In line with that, a lot of trading companies engaged in the spare part and business field

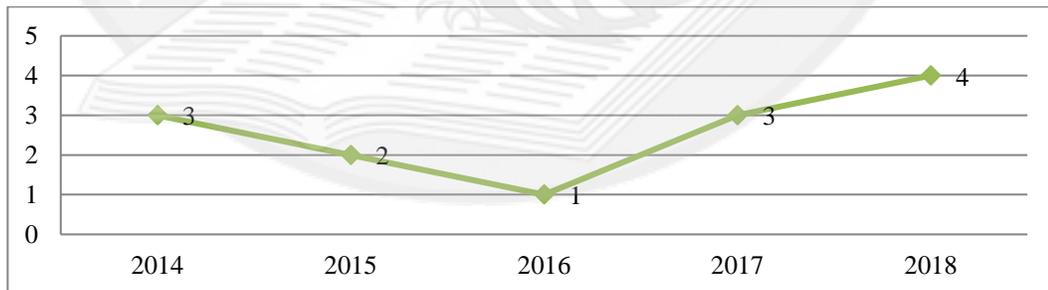
construction. In order to operate the business successfully, the company should not just focus on their customers and sales. It is also very important to focus on the employees performance, which can become the critical success of a company. In order to evaluate employees performance, the leader should discover and understand the key benefits to obtain consistent and objective methods for evaluating their employees. Therefore, in order increase employees performance, it can be done by the existence of work discipline and motivation among the employees in their work environment.

There are many leading construction tool and spare part in Indonesia market, one of them is UD. Sing Motor. It was established in 1976 and founded by The Gim Sing. It is now operated by Mr. Teh Gim Sing and in the transition to the second generation. UD. Sing Motor operates in selling spare part for automotive. UD. Sing Motor has many advantages, including complete and integrated production facilities, which is production facilities of finished units, also second-hand units and car accessories.

**Table 1.1**  
**“Number of Employees Resignation at UD. Sing Motor”**

Year	Employees Resignation	% Change
2014	3	-
2015	2	-33%
2016	1	-50%
2017	3	200%
2018	4	33%

Source : Prepared by the Writer ( 2019)



**Figure 1.1. Number of employees resignation at UD. Sing Motor**

Source : Prepared by the Writer (2019)

Based on the data above, it can be seen that from 2014 to 2018, the number of employees resignation at UD. Sing Motor was fluctuating. It can be seen that in 2014, three employees have resigned from their jobs. When in

2015, there are two employees have resigned from their jobs, which is decreasing by 33%. In 2016, there is only one employees who have resigned, which make the percentage decreased by 50% compared to 2015. It can also be seen that in 2017, the number of employees resignation increased to three employees, which make it increased by 200% compared to 2016. In 2018, the table showed that there are 4 employees resigned from their jobs, which make the percentage increased by 33% compared the previous year, 2017. The fluctuations itself can be caused by the lack of employees understanding of the company's existing regulations that can lead to different perceptions through employees.

Based on the descriptions above, the writer is interested to conduct a research entitled **“The Effect of Work Discipline towards Employees Performance at UD. Sing Motor”**.

## **1.2 PROBLEM LIMITATION**

Due to the limitation of time and budget, the writer limits the study to the effect of work discipline towards employees performance at UD. Sing Motor. In this paper, the writer focused to study about work discipline as independent variable, whose indicators are role of leaders and peers, reward and sanction, fairness, monitoring, and strictness. Employees performance as dependent variable, whose indicators are amount of work, work quality, punctuality, attendance, and cooperation ability. The writer will analyze the effect of work discipline (independent variable) towards employees performance (dependent variable) at UD. Sing Motor.

## **1.3 PROBLEM FORMULATION**

The following are the research questions in this skripsi :

- a. How is the work discipline at UD. Sing Motor ?
- b. How well the employees are performing at UD. Sing Motor ?

- c. Does work discipline affect employees performance at UD. Sing Motor ?

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

The following are the research objectives in this *skripsi* :

- a. To evaluate about work discipline at UD. Sing Motor.
- b. To assess the employees performance at UD. Sing Motor.
- c. To investigate whether work discipline affects employees performance at UD. Sing Motor.

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

The writer expects that this research can give benefits, both theoretical and practical.

##### **1.5.1 Theoretical benefit**

The results from this research can be used to expand insight and knowledge, and contribute to academic area, especially regarding work discipline and employees performance.

##### **1.5.2 Practical benefit**

The benefits of research are as follows :

- a. For the writer, this study develops her knowledge and give valuable information about work discipline and employees performance in real-life settings.
- b. For UD. Sing Motor, the information of the research can help UD. Sing Motor to develop and maintain the business in this competitive environment.
- c. For other researchers, they are expected to be able to use the result of this research as additional references in carrying out further research.

## **1.6 SYSTEMS OF WRITING**

The following is the systems of writing in this research :

### **Chapter 1 Introduction**

This chapter explains about the background of study, problem limitation, problem formulation, objective of research, benefit of research, and system of writing.

### **Chapter 2 Literature review and hypothesis development**

This chapter elaborates the theories of entrepreneurship, family business, work discipline, employees performance, explain about relationship between work discipline and employees performance, previous research, hypothesis development, research model, and framework of thinking.

### **Chapter 3 Research methodology**

This chapter is the method and way used in conducting the research. The writer will present research design, research object, data collection method and data analysis method.

### **Chapter 4 Data analysis and discussion**

This chapter describes about general view of “research object”, data analysis, descriptive statistic, result of data quality testing, result of hypothesis testing, and discussion.

### **Chapter 5 Conclusion**

This chapter describes about conclusion, implication, and recommendation.