

CHAPTER I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Over the past few years, there are many uprising entrepreneurship that have been appeared over the society. Entrepreneurship is an approach of many things such as, behaving, thinking , and focusing, in order to seize an opportunity or solve problems in the environment regarding with the risk and available resource that he or she had in that time (Park, 2017). An entrepreneur is the person who acts as an independent and wanted to start something new with the innovation capability of he or she have and making the possibility to run the company successfully. In other words, it could be said that anyone who are willingly and want to work for him or herself is classified as an entrepreneur.

For entrepreneur to start his or her venture business, the writer wanted to explain briefly about a start-up company. A start up is a company that is in the first stage of its operation, and mainly focused more on improving their growth and potential (Akkaya, 2019). Usually, this companies start with an idea and a plan to solve an issue that is happening in the environment of the society. As for the company that the company decided to observe, PT. Mustika Mitra Abadi, is a start-up company that are recently established in to the society. The local people financial of company environment is considered from poor to medium level, so the reason company established the business in that place is to sell affordable price of housewares , so that the local can buy the product.

However, for the company to run smoothly and successfully, the owner must realize that to achieve that goal, it is very hard if doing it by the owner himself. The owner of the company must be able to manage the company. Managing the employee of the company is one of the important parts that the owner needed to focus (Ahmed & Ramzan, 2016). In general, in any organization or company always wants every employee to be better in their works. In achieving this goal, an organization at work is influenced by many factors, one of which can affect performance is when employees are able to face difficulties both inside and outside of work. One problem that will certainly be faced by everyone in working is stress that must overcome both by employees themselves without the help of others, or with the help of other parties such as specialists provided by the organization where the employee works.

Stress is a condition of tension that affects emotions, thoughts and physical conditions of a person. (Lindberg, 2019). The HSE (Health Safety Executive, UK, 2018) defines stress is an undesirable response people having upon them. It arises when they fear that they cannot deal with it (Ibid). HSE distinguishes between stress and pressure. Pressure is seen as positive and something that actually helps expand our performance. However, the problems arise when the sources of pressure become too regular without time to recover, or when just one source of pressure is too excessive for us to cope with .

The importance of studying work stress is that managing stress in the workplace could help boost up the employee productivity hence the company profit would grow also. (Murali, Basit, & Hassan, 2017) Stress is unavoidable in the workplace; additionally nowadays jobs are full of challenges. Stress can be benefit to an organization if the owner

able to manage the stress situation of the workplace. However, Stress in the workplace can be overwhelming sometimes, especially if the workers constantly working under pressure.

Stress can be brought by pressures at home and work. Employers cannot usually protect workers from stress arising outside of work, but they can protect them from stress that arises through work. Work stress is the response people may have when presented with work demands and pressures that are not matched to their knowledge and abilities and which challenge their ability to cope (Jafar, 2018). Usually, the causes of work stress are because of the poor work organization, also the way of the company design the job system can cause work stress.

The writer believes that stress can affect the employee performance and it is an important matter that should not be neglected by the owner of the company, or HRD (Human Resource Department) need to focus this trivial matter. Performance is a standard that been predefined by the organization and it is used as parameter for the work that had been carried out by the employees (Rachmaliya , 2017). It helps the organization to show the level of success of employees in carrying out their duties and responsibilities. Hence, the higher the employee's performance, the higher organization's profit.

PT Mustika Mitra Abadi as the research object of this research is a start-up business that focuses on selling housewares starting from kitchen utensils, and many decorative objects. This company also called as Altic Houseware and located in JL. HM JONI NO 53 / 127 MEDAN. The owner's name of this company is Halim Junus. This company is a start-up company and it was established in 2016. In running the business, PT.Mustika Mitra Abadi has several competitors in similar business fields in the following table.

No	Competitive Company	Year Established
1	PT. Berkat Untung Bersama	2016
2	PT. Wiego Houseware Indonesia	2015

Above is the list of the company's competitors that had been after the writer interviewed with the manager in PT. Mustika Mitra Abadi. The companies in the above list sells housewares which make them the competitor of PT. Mustika Mitra Abadi.

The writer believes that in doing its business; PT Mustika Mitra Abadi will faced problems as managing the employee and could cause the employee to be stressed over their works.

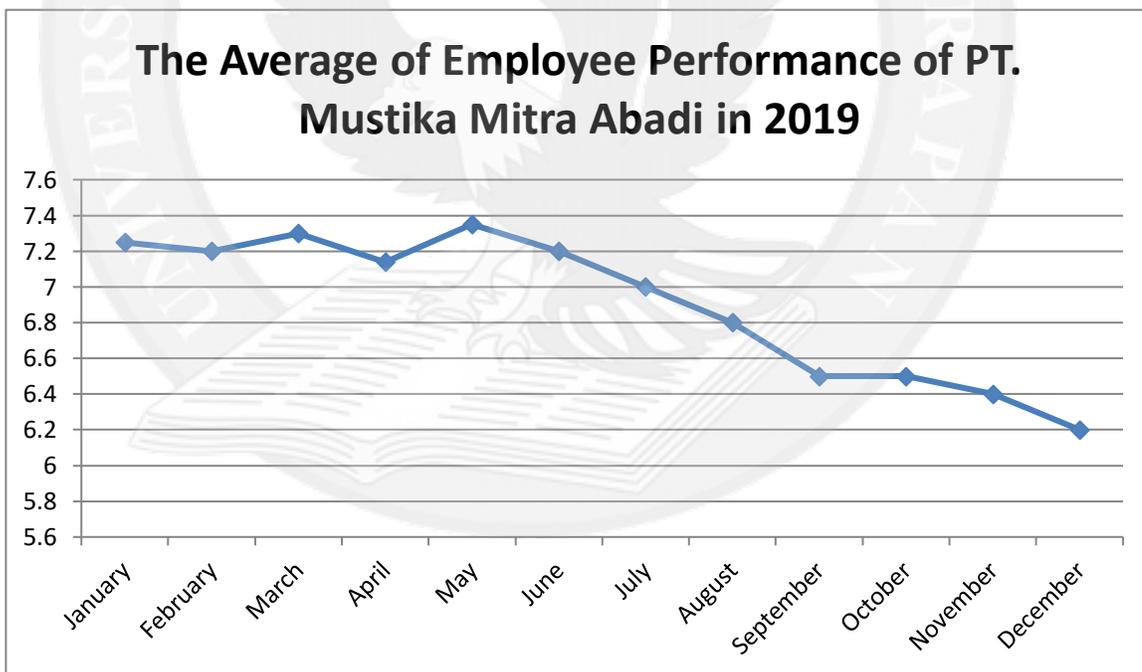


Figure1.1: The Average of Employee Performance of PT. Mustika Mitra Abadi in 2019(writer,2021)

From the data above, which had been acquired by the writer from PT. Mustika Mitra Abadi, it can be concluded that the average level of employee performance is not stable and the level tends to get lower month by month from June. The scoring for the employee performance level had been done by the HRD of the company. The score is based on lateness, absence and timeliness. Also, as the writer has observed the status of employee's working over that company, it can be said that the company employee performance has not maximized their performance yet.

Thus, balancing the level of stress in employee is not an easy task to achieve, however it has to be achieve in order for the company to survive. In this study, PT Mustika Mitra Abadi as the research object of this research is a start-up business that focuses on selling housewares starting from kitchen utensils, and many decorative objects. The writer believes that in doing its business, PT Mustika Mitra Abadi will faced problems as managing the employee and could cause the employee to be stressed over their works. Because of that, the writer decides to do a research with the title **“The Influence of Work Stress on Performance among Employees at PT Mustika Mitra Abadi”**.

1.2 PROBLEM LIMITATION

The research and the survey need to be limited according to the topic of the discussion, The Influence of Work Stress on Performance among Employees at PT Mustika Mitra Abadi. The writer decided to set the indicator for the work stress which is role conflict, role clarity, workload, autonomy. As for the employee performance, the indicator would be the work's quality, quantity, timeliness, cost-effectiveness and absenteeism.

1.3 PROBLEM FORMULATION

Based on the background of the study, the writer formulated the problem in attempts to answer the following questions:

1. Does work stress have influence on performance among employee at PT Mustika Mitra Abadi?
2. How is the level of work stress at PT Mustika Mitra Abadi?
3. How is the level of employee performance at PT Mustika Mitra Abadi?

1.4 OBJECTIVE OF THE RESEARCH

The objective of the research is

1. To know if that work stress could influence employee's performance at PT Mustika Mitra Abadi.
2. To know the level of work stress that had been produced by the employees.
3. To know the level of employee performance.

1.5 BENEFIT OF THE RESEARCH

The benefit of doing this study of research is that to provide consideration for improving the employee performance in accordance with the employee's work stress. Another benefit of the study is also to provide an insight and idea on how to create a plan

and apply good strategy to the work environment, so that the employee can be less stressed and the employee performance can be increased and thus resulting that the company can be more effective and efficient.

1.5.1 Theoretical Benefit

The theoretical benefits of this study are:

- a. The benefit of this study is to provide knowledge and add experience in doing research and apply theories from the previous study that are related to the writer research.
- b. Another benefit is for additional reference material for other researchers who wish doing further research that is specially related to work stress and employee's performance
- c. For the sake of the company, so that the writer can provide descriptive and useful information in conducting research in the employee's perspective.

1.5.2 Practical Benefit

The practical benefits of this research are:

- a. For the writer: to gain knowledge that is about the work stress that could happen in a company and to know more how it could influence the employee's performance.
- b. For the company: to give valuable information to the company, such as giving suggestion and feedbacks on how to control the work stress of the employees in the company in order to advance or grow the employee's performance

- c. For the readers: so that the readers could use this writing in the near future as part of reference, also for the readers who wish to do research that are related to the topic of the study.

1.6 SYSTEM OF WRITING

In the systematic of writing, the writer will explain on how this writing of research would be described chapter by chapter, the order of the following chapters that will be described as follows:

Chapter I : Introduction

In this chapter, the writer will be describing about the outline, the direction of the purpose and also the writer include Background of the study, Problem limitation, Problem formulation, Objective of the research, Benefit of the research(Theoretical benefit and Practical benefit) and lastly Systems of writing

Chapter II : Literature Review and Hypothesis Development

Describing and explaining further more about the theory on which the author is based, which cover: Theoretical background, Previous research, Hypothesis development, Research model and Framework of thinking.

Chapter III : Research Methodology

Explain about: Research design, Population and sample, Data collection method, Operational variable definition and variable measurement, and Data analysis method.

Chapter IV : Data Analysis and Discussion

Describing: General view of “Research Object”, Data analysis (Descriptive statistic, Result of data quality testing and Result of hypothesis testing), Discussion.

Chapter V : Conclusion

In this chapter, the writer would be describing about the Conclusion, Implication and Recommendation.

