

CHAPTER I

INTRODUCTION

1.1 Background of the Study

This company's competition is very fast and requires human resources who have effective and efficient skills so that it can bring the company to achieve its goals and develop. Human resources must be human learners and work hard with enthusiasm, so potential within employees can develop optimally and effectively. Therefore, human resources needed today are human resources that are able to master and understand quickly and precisely, adaptively, and innovatively (Coulter, 2017).

PT. Bukit Intan Abadi (PT. BIA) was established in 1997, located in the city of Medan, North Sumatra. PT. Bukit Intan Abadi is one of the family companies. In this company several important positions are carried out by family members of the owner of the company. This is so they can control and regulate well. The management view from employees will determine the success of developing their employee potential by taking into account the level of employee satisfaction within the company. Job satisfaction is a factor that will contribute to improving organizational performance.

Job satisfaction is a frequently studied subject in work and organizational literature. This is mainly due to the fact that many experts believe that job satisfaction trends can affect labour market behaviour and influence work productivity, work effort, employee absenteeism and staff turnover. Moreover, job satisfaction is considered a strong predictor of overall individual well-being, as

well as a good predictor of intentions or decisions of employees to leave a job (Kasmir, 2016).

According Bangun (2018), Job satisfaction is also important in everyday life. Organizations have significant effects on the people who work for them and some of those effects are reflected in how people feel about their work. This makes job satisfaction an issue of substantial importance for both employers and employees. As many studies suggest, employers benefit from satisfied employees as they are more likely to profit from lower staff turnover and higher productivity if their employees experience a high level of job satisfaction. However, employees should also ‘be happy in their work, given the amount of time they have to devote to it throughout their working lives’.

Employees experience dissatisfaction at work caused by work supervision that is too tight, financial compensation that is not adjusted to the risk and workload of employees. This can be seen from the increase in employee turnover data at PT. Bukit Intan Abadi which has increased. Some problems of employees resigning are unsatisfactory compensation, leadership that has not been effective, a management system that is not good, work conflicts with superiors, high workload due to unclear description of the fall.

Table 1.1
Turnover Data at PT. Bukit Intan Abadi
2018-2020

Year	2018	2019	2020
Employees resign	31	45	43
Employees enter	27	32	20
Total Employee	164	151	128

Sources: PT. Bukit Intan Abadi, 2020



Figure 1.1 Turnover Data at PT. Bukit Intan Abadi

Sources: PT. Bukit Intan Abadi, 2020

According to Palupi.D et al., (2017), shows that leadership influences job satisfaction. This shows that the success of leadership can affect the level of job satisfaction of employees in the company. Without leadership, management becomes flawed. It is management's job to encourage and support the leadership of all people not only from the lower level managers. According to Garboua, et al (2017). Leaders who can develop the company's vision and mission and assume organizational goals that must be achieved can provide encouragement to employees to work optimally. Leadership captures the essentials of being able and prepared to inspire others. Effective leadership is based upon ideas—both original and borrowed—that are effectively communicated to others in a way that engages them enough to act as the leader wants them to act. A leader inspires others to act

while simultaneously directing the way that they act. They must be personable enough for others to follow their orders, and they must have the critical thinking skills to know the best way to use the resources at an organization's disposal.

PT Bukit Intan Abadi Medan has leadership that has not been effective so that it has not been able to encourage employees to be loyal to the company and work more actively. The phenomenon of leadership in this company is superiors who have not been able to encourage employees who have job satisfaction, superiors who discriminate in the provision of work, superiors who are too demanding employees and superiors who are too dictator so many employees are afraid of giving some advice to superiors on problems that is being faced by the employees. This is also one of the factors that drives employees to have job satisfaction.

The reason of choosing this title is to know and understand the characteristic of leadership and how they guide their employees. These are the reasons of the writer would choose the title “The Influence of Leadership on Job Satisfaction at PT Bukit Intan Abadi Medan.”

1.2 Problem Limitation

Limitation of the problem in this study only discusses the Influence of Leadership on Job Satisfaction at PT Bukit Intan Abadi Medan.

Darodjat (2016,p.338), there are five practices that underlie leaders who have superior leadership qualities, namely:

1. Leaders who challenge the process
2. Recommendations inspiring shared insights

3. Ask for help from others
4. Able to be a guide
5. Motivate subordinates

Hasibuan (2016,p. 202), job satisfaction indicators are only measured by:

1. Discipline
2. Work morale
3. Turnover is small, relatively good employee satisfaction

1.2 Problem Formulation

The problem formulation in this research are:

1. How is leadership currently very effective at PT Bukit Intan Abadi Medan?
2. How is the employee job satisfaction at PT Bukit Intan Abadi Medan?
3. Does leadership influence job satisfaction at PT Bukit Intan Abadi Medan?

1.4 Objective of the Research

The purpose of the study is

1. To analyze leadership at PT Bukit Intan Abadi Medan.
2. To analyze employees' job satisfaction at PT Bukit Intan Abadi Medan.
3. To analyze leadership has an influence on employees' job satisfaction PT Bukit Intan Abadi Medan.

1.5 Benefit of Research

1.5.1 Theoretical Benefit

A reference for similar research in the future, especially concern about paying attention to the level of leadership to maintain the employee job satisfaction.

1.5.2 Practical Benefit

Some of the benefits are expected for:

1. Researcher

Help the writer to know the influence of leadership towards employees' job satisfaction in the real life.

2. Reader

Help to improve reader knowledge about how important the influence of the level of leadership towards their employees' job satisfaction.

3. Company

Help the company to be aware that leadership influenced the employees' job satisfaction.

