

CHAPTER I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Entrepreneurship is a process of applying creativity and innovation to solve and search for opportunities from problems faced by everyone in everyday life. Creativity is the ability to create new ideas by combining, changing or reconstructing old ideas. Then innovation is the application of the discovery of a new production process or the introduction of a new product. Basically, failure depends on the ability of an entrepreneur (Kilby, 2017). Failures can occur if they are not competent in managerial, lack of experience, lack of financial control, failure in planning, inadequate location, lack of earnest attitude in business, lack of equipment supervision, and less capable in making the transition.

According to Edison (2016, p.191), given the importance of this performance appraisal, management needs to study performance management and all related aspects. If the process and performance appraisal have been done well and the results show that employee performance has improved, the company's performance is generally successful. Optimal performance and stability are not a coincidence. Surely it has been through stages with good performance management and maximum effort to achieve it. Every organization always strives to increase employee productivity. For this reason, leaders need to find ways and solutions to generate employee performance. This is important, because performance reflects the deep enjoyment of the work done so that work can be

completed faster and better results can be achieved. Performance is very important for organizations because of high performance of course can reduce absenteeism or unemployment because of laziness, with high performance from workers and employees, the work given or assigned to it can be completed in a shorter or faster time, with high performance, the organization benefits from the small angle of damage. Because increasingly dissatisfied in work, the less eager to work, the greater the number of damages, high performance automatically makes employees feel happy working so less likely that employees will move to work elsewhere, high performance can reduce the number of accidents because employees who have high performance tend to work carefully and thoroughly so that it works in accordance with existing procedures.

PT. Jambala Bikin Subur is a company engaged in the distribution of fertilizers. The company was founded around 2005. PT. Jambala Bikin Subur is a company that is a family business company. This is because all families invest their shares so that all high positions are held by the whole family. This management system base facilitates decision making if the company faces a problem. The owners of this company are Mr. Sunario and his siblings and the Director of PT. Jambala Bikin Subur named Joko Susilo. To facilitate decision making and delivery as well as supervision for several important divisions such as finance, marketing and operations led by MR Sunario. Distribution or sale of fertilizers ranging from various brands that differ in quality, price and benefits needed by consumers. The company holds to the motto that customer satisfaction is first and foremost.

PT. Jambala Bikin Subur is a company engaged in the distribution of fertilizers. The company was founded around 2005. The company began to develop rapidly which led to an increase in sales. Due to an increase in sales along with the increase in customer complaints about the service provided is not optimal. This is caused by employees who have not worked effectively, efficiently and optimally as well as maximally within the company. This causes researchers interested in looking for things or factors that cause employees to not be able to work well.

Companies are formed to achieve certain goals. Therefore, the company's success is shown by its ability to achieve the stated goals. In daily reality, the company actually only expects the best work results from employees in the company (Hasibuan, 2016). Employee performance that is in accordance with the standards set by the company is the main thing that is required company of employees. Employee performance will have an impact on the employees concerned and the company, because good performance will increase overall company productivity and vice versa, low employee performance can reduce the level of quality and productivity of the company, which will ultimately have an impact on decreasing company revenue. Employee performance is the result of both quality and quantity of work achieved by an employee per unit time period in carrying out his work duties in accordance with the responsibilities given to him. Performance is a result of work achieved by someone in carrying out the tasks assigned to him based on skill, experience, and sincerity as well as time. An employee's performance can be measured from the results of activities within a

certain period of time to what can be done in accordance with the duties and functions and can be disciplined in complying with applicable rules (Amir, 2015).

Employee performance at PT. Jambala Bikin Subur has decreased. Declining employee performance is caused by low levels of work discipline such as delays and absences. This causes inaccuracy in completing work that is the job of the employee which should be the whole task must be completed no later than the 02th of every month, but in practice the employees always finish their work beyond the date set by the company, employee accuracy has decreased which causes work errors such as errors in the delivery of unsuitable fertilizer products due to errors in recording the order products in the receipt, as well as between employees not being able to work well together this is due to unfair competition within the company making it difficult to work together.

Table 1.1
Employee Sales Data at PT. Jambala Bikin Subur
2017 - 2019

Year	Total Sales
2017	6.568.791.050
2018	5.776.650.034
2019	4.006.397.041

Sources: Division Marketing at PT. Jambala Bikin Subur (2019)

The performance of the employees which can be seen from the level of sales of the company decreased -from year 2017-2019. Then in addition to sales data, which decreases the performance of the employees can also be seen from the attendance of the employees and the level of delay of employees have increased.

**Table 1.2-
Attendance Data in Time Range at PT. Jambala Bikin Subur
2020**

Month	Late	Absent
January	18	6
February	17	7
March	16	6
April	15	9
May	21	7
June	20	8
August	24	9
September	26	10
October	29	11
Novemner	34	14
December	39	15

Sources: PT. Jambala Bikin Subur, 2021

According to Hasibuan (2016, p. 193), discipline is the most important operative function of human resource management because the better employee discipline, the higher the work performance achieved. Discipline is needed for organizational goals that are more for maintaining efficiency by preventing and correcting individual actions in bad faith towards the group. Work discipline is a tool used by managers to change employee behavior to comply with all company regulations. With work discipline, it is hoped that employees can complete their tasks efficiently which means they can minimize errors or violations of the rules. Discipline itself is one of several factors that affect performance. Because without discipline, all activities that will be carried out can produce results less than optimal or unsatisfactory and not as expected. This can result in a lack of achievement of the goals of the organization or company and can also hinder the course of the organization's programs made (Sari,2015).

The problem of work discipline at PT. Jambala Bikin Subur is that there are no rules and regulations on written sanctions so that employees have not been able to obey and know the sanctions that are accepted for what is. Based on the Interview with Mrs. Rima Nasution as the HRD of PT. Jambala Bikin Subur, violated such as not asking for superiors' signatures in every employee report settlement and so on, as well as increased absenteeism and employee delays despite sanctions that have been given in the form of salary deductions for employees who are absent in the amount of Rp. 50,000 and late employees per minute Rp. 1,000 This makes many employees have low work discipline so that it affects the employee's performance as seen from the inaccuracy in completing work that is the employee's work on time.

In accordance to the background of study which was stated above, the writer is motivated to conduct a research study which will be written in a paper format with a title: **“The Influence of Work Discipline on Employee Performance at PT. Jambala Bikin Subur”**.

1.2 Problem Limitation

Because of limited knowledge, the authors want to limit research to only discuss the independent variables, namely work discipline and the dependent variable, namely employee performance at PT. Jambala Bikin Subur.

1.3 Problem Formulation

The following are the research question in this study :

1. How is the condition of work discipline in PT. Jambala Bikin Subur?
2. How is the condition of employee performance in PT. Jambala Bikin Subur?
3. Is there any influence of work discipline towards employee performance in PT. Jambala Bikin Subur?

1.4 Objectives of the Research

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

1. To test and analyze various kinds of problems related to work discipline
2. To test and analyze the decline in employee performance and its impact on the company PT. Jambala Bikin Subur.
3. To test and analyze the influence of work discipline on employee performance at PT. Jambala Bikin Subur.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

The benefit and results from the research can be used to enhance and contribute to theories about work discipline and employee performance.

1.5.2 Practical Benefit

- a. For the writer, the findings on this research are expected to add more knowledge and experience, especially in work discipline and employee performance in real life settings.

- b. For the company, the writer hopes that with this research, the company can be educated and can raise the company stronghold and effectiveness to the best plan to face the employee performance through work discipline.
- c. For other researchers, the writer hopes that the results can be used as references for any further studies on similar topic.

