

CHAPTER I

INTRODUCTION

1.1 Background of Study

Employees are organization's most valuable assets and they play an important role in preserving the successful image of the organization. Employee performance is the major factor in ensuring that the organization runs smoothly and successfully. Good employee performance will improve the organization's performance (Eze, 2017). Job satisfaction is an attitude towards the job; in other words, job satisfaction is related to feeling or emotional response toward various aspects of one's job. A person with a high level of job satisfaction will have positive attitudes towards his or her job, while a person who is dissatisfied with his or her job will have negative attitudes about the job. Job satisfaction is the result of employees' perception of how well their job provides things that are considered as important (Theresa & Henry 2016).

According to Raharjo (2015), a person with a good division of tasks and with good leadership will be happier to do the work that is charged to him/her, and the salary that is according to expectations will also support a person achieve job satisfaction. Job satisfaction affects the performance of employees. Employee job satisfaction is tremendously crucial not only for the employees but also the organization as a whole. Top-level management must need to realize how an employee will be happy with their job, because satisfied employees are usually happy and motivated with their job and an organization may benefit greatly from

them. On the other hand, dissatisfied employees are less likely to be encouraged and concerned with the routine of work, even though they are having a job, but they are avoiding the responsibilities, and they will have a high level of absenteeism at work. Although they are present on the job, they are less concerned with the issues of the organization. It will have a negative impact on the organization's performance.

This research is done at PT Multi Sari Idaman Medan located at Jln. Purwosari No.18 Kompleks DPRD, Medan. PT Multi Sari Idaman is a distribution food and non-food products. One of the products distributed is honey.

Employee performance has decreased as seen from an increase of work errors due to inaccuracy in carrying out duties and responsibilities; a decrease in employee morale in carrying out tasks quickly so that the work is not completed on time and employees are always late.

Table 1.1
Total of Employee's Lateness January – June 2020

Month	Total
January	34
February	48
March	43
April	37
May	54
June	69

Sources: PT Multi Sari Idaman Medan, 2020

In addition to data delay of employees, the performance of the employees can be seen in the declined of sales of PT Multi Sari Idaman Medan shown in table 1.2. below:

Table 1.2
Sales Data of PT Multi Sari Idaman Medan 2018-2020

Year	Sales
2018	2,540,742,000
2019	2,007,930,000
2020	1,450,651,000

Sources: PT Multi Sari Idaman Medan, 2021

According to Amir (2015), employee performance is a very abstract concept and requires certain definitions to mention the attributes in detail and completely. According to Umam (2016), performance is a key factor in developing an organization effectively and efficiently because of the existence of better policies or programs for the human resources in the organization. Individual performance appraisals are very beneficial for the dynamics of the organization's overall growth.

Employee satisfaction plays a key function in organizational performance. As a result, it is important for an organization to consider how its employees feel about their job and their level of happiness. When employee dissatisfaction is recognized, company must develop strategies to increase employee determination and dedication based on employee experiences. In this way of motion, the business outcome can be improved, and efficiency is likely to increase at the same time.

The time frame of this research that can be seen in table 1.3.

Table 1.3
Time Frame

No.	Day	Activities
1.	4 Nov 2020	Visit PT Multi Sari Idaman Medan
2.	12 Nov 2020	Interview Branch Manager and HRD
3.	18 Dec 2020	Interview HRD
4.	20 Jan 2021	Give Surat Izin Riset
5.	26 Jan 2021	Give questionnaires to HRD to spread it for employees.
6.	29 Jan 2021	Take questionnaires that had been filled by employees.
7.	4 Feb 2021	Take company letter.

Based on these problems, research is conducted with the title “**The Influence of Job Satisfaction towards Employee Performance at PT Multi Sari Idaman Medan**”.

1.2 Problem Limitation

Restrictions should be made to avoid discussing issues that are too broad so that they are out of the problem to be examined. Therefore, the researcher limits the scope of the problem between the job satisfaction and employee performance at PT Multi Sari Idaman Medan. According to Smith et al. (2019), the dimensions of job satisfaction are seen from work, supervision, wage, promotion, co-worker. Russel and Bernandin (2016), have formulated the dimensions of employee performance components as seen from work quality, labor quantity, time efficiency, work effectiveness, supervision needs.

1.3 Problem Formulation

Based on the observation that is done by the writer at PT Multi Sari Idaman Medan, the writer finds several questions, which are:

1. How is condition job satisfaction at PT Multi Sari Idaman Medan?
2. How is the condition of employee performance at PT Multi Sari Idaman Medan?
3. Does job satisfaction influence employee performance at PT Multi Sari Idaman Medan?

1.4 Objective of the Research

Based on the problem identification proposed in the previous point, the objective of this research is:

1. To analyze job satisfaction at PT Multi Sari Idaman Medan.
2. To analyze employee performance at PT Multi Sari Idaman Medan.
3. To analyze the influence of job satisfaction towards employee performance at PT Multi Sari Idaman Medan.

1.5 Benefit of the Research

The writer expects that this research can give benefits both theoretically and practically.

1.5.1 Theoretical Benefit

1. To help readers understand the influence of job satisfaction towards employee performance.
2. To be the reference for other researchers regarding topics related to job satisfaction and employee performance in the future.

1.5.2 Practical Benefit

The results of this research are expected to give a recommendation to the company about how to improve employees' job satisfaction so that employees' performance can be improved.