

CHAPTER I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Lately, there are a lot of family businesses that are growing very rapidly in the community, where they produce something and solve a problem in a good way by using good solutions. Somehow, it keeps the family business running well and can carry on its legacy to sons and daughters. Also, family business cannot be clarified in the literature with one definition. Thus, there are various ways to describe a family business created by family members over a long period of time since being transferred from generation to generation (Ratten and Tajeddini 2017). But, before we get into that we know that a family business is a company started by family members. However, if the company wants its business to run well, then the company must have good human resources and good management.

We know that human resources are the focus in the family business to be able to get the best from the best employees who want to join their company. It can be a fresh graduate or experienced workers who might be able to help the company in every problem.

This human resource cannot be underestimated. many people say that we only need people to do their job, not someone who just graduated to do the hard work and soft work in the company. This can lead to the failure of the family business or any other business.

Human resources must choose the best of the best. That is able to complete tasks under pressure, including being able to provide new fresh ideas, or ideas for their experiences based on something they have passed.

Also, human resources are very important to have in a family business. But some family businesses do not have the human resources. So, some family businesses only open recruitment on social media and requirements based on family business needs. Many family businesses do this because they want to minimize their expenses. Also, maximize revenue based on their experience.

The employee performance becomes the focus in the business because the employee performance will be affecting the company progress. If the employee performance decreases then it will be affecting their tasks. When it is affecting it will make the company going slow and getting bankrupt. So, the company should maintain this employee performance at the good level.

Employee performance means successful completion by selected employees or community employees of tasks, responsibilities, or duties, based on a collection of objectives and productivity indicators as well as the efficient use of existing resources (Eddy Yunus, 2019).

Company personnel must be skilled to achieve high workforce performance. Every company needs job training to have qualified staff. But having competent leaders alone is not enough to achieve success in a company, because operations and productivity are the biggest issues in the end. Worker jobs are essential for a

company to function; therefore, businesses should invest in hiring and developing more people to become useful personnel.

Employee performance is an asset in a company. Humans as workers are also an important factor in running an organization and must be able to handle human problems appropriately and optimally to achieve business goals. One of the biggest problems for the company is the happiness of its employees, because employees who feel uncomfortable in their work, lack of supervision or respect, do not have full capacity and unpleasant co-workers automatically make employees unable to fully concentrate. and focus on his work, which can lead to company failure.

CV DD Furniture Banda Aceh is family company which produces furniture that established on 25 January 2005 and located in Jl. Tentara Pelajar, Merduati, Kuta Raja, Banda Aceh, Nanggroe Aceh Darussalam. CV DD Furniture Banda Aceh sells their products (furniture like table, chair, wardrobe and something that related to furniture) to their suppliers such as CV Humairah IT Solutions, CV Pc Shops, CV Bahara, etc. Also, CV DD Furniture Banda Aceh is family business that provides furniture to the retail customers. CV DD Furniture Banda Aceh is the first-generation company that built by and owned by Mr Dedy and his family.

The research that the author did at CV DD Furniture Banda Aceh shows the results of employee performance in the 4th quarter of 2020, the production continued to decrease every month. Below is data of employee performance in 2020.

**Table 1.1 Data of Employee Performance in CV DD FURNITURE BANDA ACEH
in unit products**

2020 Q4				
	SEPTEMBER	OCTOBER	NOVEMBER	DESEMBER
Marketing	85	50	65	45
Storage	75	55	60	35
Financing	65	45	65	30
Transportation	55	35	45	20
Total	280	185	235	130

From the data above on CV DD Furniture Banda Aceh in the fourth quarter of 2020, there was a decline in every existing field. starting from the marketing field which starts from 85 in September to 45 in December. In the storage sector, September starts from 75 to 35 in December, in the financing sector in September it is numbered from 65 to number 30 in December and finally in the transportation sector from 55 to 20 in December. Here we can see that there is a large decline and an impact on the company, which makes the deterioration in this possible, there is some job satisfaction that the employees think does not yet exist at the company and influences the employee's performance.

Researchers chose job satisfaction as a variable, namely employees cannot carry out their duties properly without the identification of good management. Identifying the company's current problems is a good opportunity for employees to help the company achieve its competitive position in today's international and local markets. Job satisfaction is not only to optimize employee performance but also to increase effectiveness, productivity, respect, motivation, and innovation in their work. The

job satisfaction program hopes that all prospective employees can be improved according to or at least in accordance with the needs and desires of the company.

Employees can have knowledge, capacity, and talent in accordance with the tasks they complete by understanding job satisfaction. To increase revenue and business development, companies must always have skilled workers in their profession. Job satisfaction and employee completion are therefore important.

Job satisfaction is one of the main approaches to human behavior in the workplace. Satisfaction with employment is the extent to which people feel good or bad about work. Times change and the world recognizes that happy employees lead to improved productivity and retention of employees. A successful employee is the brand's best ambassador and helps the company reach the next level (Shaju & Subhashini, 2018).

Based on this research, the writer uses CV DD Furniture Banda Aceh for this researcher title and the title is **“The Influence of Job Satisfaction towards Employee Performance at CV DD Furniture Banda Aceh.”**

1.2 Problem Limitation

Based on research conducted by researchers, the source of this research is limited as independent variables as job satisfaction and employee performance as the dependent variable on CV DD furniture Banda Aceh Data execution will be carried out by randomly inspecting each person in each department according to this process call, which is known as the simple random sampling method and also using SPSS.

1.3 Problem Formulation

The writer can formulate problems based on the context as:

1. How is the job satisfaction at CV DD Furniture Banda Aceh?
2. How is the condition of employee performance at CV DD Furniture Banda Aceh?
3. Does job satisfaction affect the employee performance at CV DD Furniture Banda Aceh?

1.4 Objective of the Research

The objectives of this research study are:

1. To know the condition of job satisfaction of CV DD Furniture Banda Aceh.
2. To find out the employee performance at CV DD Furniture Banda Aceh.
3. To see whether job satisfaction has an influence on employee performance at CV DD Furniture Banda Aceh.

1.5 Benefit of the Research

The benefits of taking out this research are providing opportunities to various business owners.

1.5.1 Theoretical Benefit

The results of this study are expected to contribute to the development of theory, especially the variable x as job satisfaction, the impact of the variable y as employee performance.

1.5.2 Practical Benefit

1. For researchers

To understand and learn the influence of job satisfaction to increase employee performance.

2. For companies

This study will provide some details about how job satisfaction can affect employee performance at CV DD furniture Banda Aceh.

3. For the future researchers

As a information that can help a researcher when conducting related research based on this subject in the future.

1.6 System of Writing

This system of writing is divided into five chapters in this study. The following requirements are applied to each chapter in several subchapters:

Chapter 1: Introduction

This chapter contains Background of the study, problem limitation, and problem formulation, objective of the research, benefit of the research, theoretical benefit, and practical benefit.

Chapter 2: Literature Review

In this chapter there include theoretical background, entrepreneurship, employee performance, job satisfaction, previous research, hypothesis development, research model, framework of thinking.

Chapter 3: Research Methodology

At this chapter there have research design, population and sample data, research object, data collection method, operational definition and variable measurement and data analysis method.

Chapter 4: Data Analysis and Discussion

This chapter include a general view of research object, data analysis, test of instrument, descriptive statistic, result of data quality testing, results of hypothesis testing and discussion.

Chapter 5: Conclusion

This chapter contains conclusion and recommendation.