

# CHAPTER I

## INTRODUCTION

### 1.1. Background of the Study

The prolonged COVID-19 pandemic situation has disrupted most businesses both from operations and in business development. Various changes occur quickly due to the current pandemic conditions. These rapid changes create various difficulties for businesses that are able and unable to adapt to this pandemic. For example, during this pandemic, companies must implement a work from homework system as an option due to government regulations regarding social restrictions during the pandemic.

The pandemic condition also puts an entrepreneur's ability to be tested to find solutions in adapting to current conditions. The role of an entrepreneur in managing human resources, namely employees in this condition, is very important. The ability to optimize employee work results to remain stable is the main thing during the difficult times experienced by the company.

According to Frederick et al (2018), entrepreneurs are individuals who recognize opportunities where others see chaos, contradiction, and confusion. They start companies and create job. The global economy rest on their efforts, and the world now largely embraces free enterprise as the most significant force for economic development

Employee performance is the ability of employees to carry out the work given by the company. According to Armstrong and Baron in Mukminin et al

(2019) defines performance management is a process to achieve organizational performance level high and effective that contribute to the management individuals and teams. According to them, performance management considered the best is the one that serves as a tool for ensure that managers are able to effectively manage at these institutions and are able to ensure the individuals or teams they manage know and understand what desired of them, possess the skills and abilities to achieve the goal, must have the support of organization in developing capacity so that it is achieved a desired goal, must be rewarded on the results of the performance of employees, can in discussing and contributing to achieving goals.

Job stress is one of the things that can be related to employee performance. According to Yusuf and Saifillah (2021), stress is a mental disorder faced by a person due to pressure. This pressure arises from the individual's failure to fulfill his needs or desires. This pressure can come from within, or from outside. In a work situation, stress is an indication of the dynamics of someone who is trying to change the work environment and the process of achieving the desired goals, and the realization of a hope/dream depends on the hard work and efforts made.

Organizational culture is a habit that is owned by the company and is carried out by employees when carrying out work. According to Badu and Djafri (2017), organizational culture refers to a principle held by the members in it as a differentiator between the organization and other organizations. Such a system is a manifestation of a collection of main traits or characters that are upheld by the organization.

PT Wirastama Abadi is a company engaged in the sale of fuel oil, which

was founded in 2004, founded by Mr. Jordy as the founder and is currently run as a family business. The company sells fuel oil to various areas of North Sumatra. To see the performance of employees from the company so far, the writer looks at the employee attendance data while working at the company during the pandemic. The following is employee attendance data.

**Table 1.1**  
**Employee Attendance Data in 2020**

Months	Number of Employees	Working Days	Attendance Target	Lateness		Absence		Arrive on Time	
				Amount	%	Amount	%	Amount	%
January	132	26	3432	93	2.71%	40	1.17%	3299	96.12%
February	131	24	3144	92	2.93%	35	1.11%	3017	95.96%
March	132	25	3300	95	2.88%	36	1.09%	3169	96.03%
April	136	25	3400	92	2.71%	39	1.15%	3269	96.15%
May	136	20	2720	93	3.42%	38	1.40%	2589	95.18%
June	136	25	3400	120	3.53%	55	1.62%	3225	94.85%
July	133	26	3458	63	1.82%	56	1.62%	3339	96.56%
August	131	23	3013	45	1.49%	36	1.19%	2932	97.31%
September	136	26	3536	96	2.71%	32	0.90%	3408	96.38%
October	133	24	3192	45	1.41%	34	1.07%	3113	97.53%
November	130	25	3250	55	1.69%	32	0.98%	3163	97.32%
December	134	24	3216	65	2.02%	31	0.96%	3120	97.01%

Source: PT Wirastama Abadi (2021)

In the employee attendance data, the total attendance of employees in 2020. The highest number of lateness occurred in June with a percentage of 3.53% and the highest number of absences in June with a percentage of 1.62%. This shows that the number of existing employees has not shown good performance in attendance at the company.

In the job stress experienced by employees, the problems that arise in the observations made to employees show that employees experience stress due to work pressure and high working hours in the company. In addition, the amount of work provided, and the compensation received is considered not appropriate by

employees. Here the writer attaches the number of employee turnovers working in the company with the reasons for resignation recorded by the company.

**Table 1.2**  
**Employee Resignation Data in 2020**

Months	Number of Employee Resigns	Reason for Resigning
January	4	<ol style="list-style-type: none"> <li>1. Many jobs</li> <li>2. High working hours</li> <li>3. Compensation that employees feel is still not appropriate</li> <li>4. Get a new job</li> <li>5. Employees have conflicts with coworkers</li> <li>6. Does not match the leadership in the company</li> <li>7. Lack of career development provided by the company.</li> </ol>
February	5	
March	4	
April	0	
May	0	
June	0	
July	3	
August	5	
September	0	
October	3	
November	6	
December	2	

Source: PT Wirastama Abadi (2021)

In the number of employees who resign every month, the highest number of resignations is only in November of 6 people. The reasons for employee resignation include a lot of work, high working hours, inadequate compensation, getting a new job, conflict with co-workers, lack of career development and not matching with the leadership in the company. The reasons stated by the employee for the resignation are the reasons because the employee experiences stress in carrying out the work in the company.

In organizational culture, the problems faced by the company can be seen from employees who are less able to follow the work culture in the company, namely employee work regulations. Employees are still often in violation of regulations in working in the company. The following is data on employee work violations while working at the company.

**Table 1.3**  
**Violations Data in 2020**

Months	Number of Violations	Violations committed
January	5	1. Not giving news if absent from work 2. Not finishing work on time 3. Not willing to work overtime if there is a task given 4. Not following directions from the leader 5. Unable to complete the work according to the given target 6. Disagreeing with the leadership in the division of work given
February	4	
March	3	
April	3	
May	5	
June	4	
July	3	
August	2	
September	3	
October	4	
November	5	
December	3	

Source: PT Wirastama Abadi (2021)

In the data on employee work violations in the company, employees who violate work because they are not able to follow the rules that exist within the organization. Employees who are not able to follow the existing organizational culture cause the quality of employees to work is not good for the company.

In employee performance problems, it can be seen from employees who often do not come to work on time and have problems with absenteeism at work. In work stress, the problems experienced are the amount of work that exceeds the employee's working hours, high working time, compensation in salary and incentives that are considered inadequate by employees, differences of opinion with coworkers, and lack of opportunities for promotion by employees. Whereas in organizational culture, employees have not been able to follow the company culture from work regulations which can be seen from work violations committed for various reasons including not giving news in absence from work, not completing work on time, not following directions from the leadership.

Based on this review, the writer decides to conduct research entitled “**The Influence of Job Stress And Organizational Culture on Employee Performance at PT. Wirastama Abadi, Medan**”

### **1.2. Problem Limitation**

The writer of this study will collect data through the manager and employee from PT Wirastama Abadi. The object of research is employees of PT Wirastama Abadi. However, due to the limitation of time, budget, and data access. In this research, the writer will focus only on job stress and organization culture and relationship towards employee performance. Problem limitations are job stress and organization culture as the independent variable (x) and employee performance as the dependent variable (y).

Indicators of job stress as the independent variables task demands, role demands, interpersonal demands, physical demands (Patricia Buhler (2007) in Wijaya (2017)), indicators of organization culture as the independent variables self-awareness, aggressiveness, personality, performance and team orientation (Edison et al, 2016) and indicators of employee performance as the dependent variables include quantity of work, quality of work, independence, initiative, adaptability, cooperation. (Priansa, 2016).

### **1.3. Problem Formulation**

Based on the background of the study, the question to be answered in this research are as follows:

- a. How is the job stress of employees at PT Wirastama Abadi, Medan?
- b. How is the organizational culture at PT Wirastama Abadi, Medan?
- c. How is the employee performance at PT Wirastama Abadi, Medan?
- d. Does job stress have partial influence on employee performance at PT Wirastama Abadi, Medan?
- e. Does organizational culture have partial influence on employee performance at PT Wirastama Abadi, Medan?
- f. Do job stress and organizational culture have simultaneous influence on employee performance at PT Wirastama Abadi, Medan?

#### **1.4. Objective of the Research**

The objective of this research are as follows:

- a. To assess job stress at PT Wirastama Abadi, Medan.
- b. To explain organizational culture at PT Wirastama Abadi, Medan.
- c. To evaluate about employee performance at PT Wirastama Abadi, Medan.
- d. To determine whether job stress has partial influence on employee performance at PT Wirastama Abadi, Medan.
- e. To identify whether organizational culture has partial influence on employee performance at PT Wirastama Abadi, Medan.
- f. To investigate whether job stress and organizational culture have simultaneous influence on employee performance at PT Wirastama Abadi, Medan.

## **1.5. Benefit of the Research**

The benefit of this research are as follows:

### **1.5.1. Theoretical Benefit**

The results of this research are expected to contribute to the existing theories relevant with job stress, organizational culture and their influence on employee performance.

### **1.5.2. Practical Benefit**

- a. For the writer, the result of this research is expected to contribute to the exciting theories relevant with job stress and organizational culture have effect on employee performance.
- b. For PT Wirastama Abadi, this research as information about whether the survey that has been made will be useful to improve the company's performance.
- c. For other researchers, to be a guide or reference in leading the researcher to do other research that is compatible with this research.