

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Human resources are very important for the company or organization in manage, regulate, harness the employees so that employees can function in productive to the achievement of the goal. Human resources is one of the factors of production potential, for real. Factors of production human not just a work physically but it will also work in thought. The optimization of the source human resources become the central point of attention of the organization in improving the performance employees. So, it can be said human resources is the source of the very important or the key factors for the company and achieve company goals (Amir, 2018).

Job satisfaction is a crucial phenomenon in the company, because related to employee attitudes or feelings towards work encountered. High job satisfaction is believed to encourage increase the performance of employees, which ultimately will improve the effectiveness of the company as a whole. On the contrary, job satisfaction low cause negative effects such as absenteeism, work slow, strike work, as well as they are more easy to leave the company and seek the opportunity working in the company with other words the degree of discharge employees is quite high. Job satisfaction can show attitude positive employees against work to be completed. Job satisfaction reflect the feelings of a person

towards his job, it was seen in the positive attitude of employees towards work and everything that is faced in the work environment (Handoko, 2018).

PT Nicky Tri Cahaya Medan located at Jalan Brigadir jendral Katamso No. B 4 Medan. The company was founded in 2017 and is a company of the lighting designer based in the city of Medan. Our work includes the arrangement of lights for homes, offices, supermarket, restaurant, cafe, convention hall, location of commercial and industrial (factory). PT Nicky Tri Cahaya Medan is a family business company where management is fully held by family members who will occupy positions in the Top Management Team, such as Directors, Marketing managers or Finance managers and so on. This means that family members have full control over the management of the company.

Job satisfaction of employees at PT Nicky Tri Cahaya Medan decreased the look of turnover have increased.

Table 1.1.
List Yearly of In and Out Employees PT Nicky Tri Cahaya Medan

Year	Out	In	Total Each Year
2018	6 People	6 People	64 People
2019	11 People	8 People	61 People
2020	8 People	9 People	62 People
2021	7 People	7 People	62 People

Source: PT Nicky Tri Cahaya Medan (2022)

Based on the table 1. Above, it can be seen that the employees of PT Nicky Tri Cahaya Medan in 2018 amounted 64 employees, but in 2021, employees at PT Nicky Tri Cahaya Medan decreased to 62 employees, then in the following year, the company experienced a decrease in employees by 2 people. Low employee job satisfaction is also reflected by an increase in employee rule

violations and many employees who carry out their work not in accordance with the time set by the leader.

Companies are also required to give an award for fair so every employee feel at home because it is treated reasonably. As one of the one form of the principle of fairness in rewards employees, companies can implement a system of awards of performance-based efforts improve morale. The goal is the system of awards of performance-based built on the monitoring or control of the output with the aim of encouraging each employee to maximize passion and performance as well as job satisfaction of employees.

Rewards can be used to influence motivation. By no means are financial rewards the only way to motivate, as there are many HRM practices that aim to motivate (see Human Resource Management). The literature on reward systems has broadened its scope to include nonfinancial rewards, as these are also important to direct and shape desired behaviors (Chiang and Birtch, 2017), but usually reward systems refer to the allocation of pay. A reward system consists of the policies and mechanisms by which organizations administer employee rewards, for example, by annual pay increases. A reward system should satisfy the goals associated with the strategy of an organization, while at the same time be attractive, cost effective, and fair. There are many variations possible, as a mix of components that include fixed, variable, and indirect rewards.

Reward programs as well as employees job satisfaction these days are the problematic issue of every organization. There are approximately all of the organization to find worthy, skillful resources so that organize the work for the achievement of the organizational goals. Reward employee's PT Nicky Tri

Cahaya Medan who are given less interesting just more the praise that lead to decreased employee satisfaction. The Reward given still does not encourage employees to feel job satisfaction. More rewards are given related to the provision of additional work facilities such as vehicles but many conditions that make it difficult for employees, the reward assessment system is also less clear in its application within the company.

The work environment is overall tools and materials encountered, the surrounding environment where the person works, working methods, as well as the settings it works both as individuals and as a group. Working conditions said to be good or as if man can carry out the activities optimal, healthy, comfortable, and safe (Sedarmayanti, 2017). Environmental work less good can be demanding labor and time, and not support the obtaining of work system design the sequential. The work environment there are two kinds of physical work environment and non-physical work environment.

The work environment can affect the level of the convenience of the employee, so a comfortable working environment is needed by the employee to be able to work optimally and productive. The working environment of the company PT Nicky Tri Cahaya Medan that is less conducive to triggering the discomfort of employees in the work. The choice is due to the noise caused by the vehicle, employee relations so that can make it difficult to work together and help each other. This resulted in the level of job satisfaction of employees decreased.

Table 1.1
Data Employee Complaints
2022

Descriptions
1. The room is noisy
2. AC is not cold so the need for maintenance
3. Hygiene levels are less awake

4. Relationships with colleagues are less good
5. The office phone is broken so that the need to be in repair

Sources: PT Nicky Tri Cahaya Medan, 2022

From the description that has been there before, it encourages researchers to discuss in the thesis under the title "**The Influence of Reward and Work Environment on Job Satisfaction at PT Nicky Tri Cahaya Medan.**"

1.2 Problem Limitation

Limitation of the problem in this study only discusses the Influence of Reward and Work Environment on Job Satisfaction at PT Nicky Tri Cahaya Medan. In this study, Reward and Work Environment will be the independent variable (X) and Job Satisfaction will be the dependent variable (Y). PT Nicky Tri Cahaya Medan. Located in Jl. Brigadir Jenderal Katamso Komplek Istana Prima nomor B 4 Medan.

According to Busro (2018), based on the cause of the reward can be divided into reward achievements, reward structural and reward the work. According to Darodjat (2018), there are four factors that can be used as benchmarks for an ideal work environment, namely healthy policies, competent supervision and delightful colleagues. According to Hasibuan (2018), job satisfaction indicators are only measured by discipline, work moral and turnover is small.

1.3 Problem Formulation

The problem formulation in this research are:

1. Does reward have partial influence on job satisfaction at PT Nicky Tri Cahaya Medan?

2. Does work environment have partial influence on job satisfaction at PT Nicky Tri Cahaya Medan?
3. Do reward and work environment have simultaneous influence on job satisfaction at PT Nicky Tri Cahaya Medan?

1.4 Objective of the Research

The objective of this study is:

1. To analyze whether reward has partial influence on job satisfaction at PT Nicky Tri Cahaya Medan.
2. To discover whether work environment has partial on job satisfaction at PT Nicky Tri Cahaya Medan.
3. To investigate whether reward and work environment have simultaneous influence on job satisfaction at PT Nicky Tri Cahaya Medan.

1.5 Benefit of Research

1.5.1 Theoretical Benefit

A reference for similar research in the future, especially concern about reward and work Environment attention to the level of job satisfaction.

1.5.2 Practical Benefit

From this study, the company will benefit from this study to know if there is correlation between reward and work Environment with job satisfaction. If the reward and work Environment is good, then job satisfaction will be up to expectations. Some of the benefits as follow:

1. Researcher

Help the writer to know the influence of reward and work Environment towards job satisfaction in the real life.

2. Reader

Help to improve reader knowledge about how important the influence of the level of reward and work Environment towards their job satisfaction.

3. Company

Help the company to aware that reward and work Environment influenced the job satisfaction.

