

CHAPTER I

INTRODUCTION

1.1 Research Background

Many employees in Indonesia work in the country. Besides, an employee is considered an individual in a company that contributes to the success or the goals of a company. That is by doing the task and assignments given by leaders. According to Hermina, and Yosepha, (2019) that individuals are working based on a contract that is formed with a company, and individuals also have the responsibility to be held responsible for their actions that have been from the given task. Employees are known as individuals that need guidance from leaders to be able to work properly such as influence in performance, creativity, and encouragement to make these individuals aware of their position. Direct influence can result in empowerment in employee work performance such as strategic development, work enrichment, participative management, increase in motivation, innovative capabilities, and quality control (Nihat, & Ays, 2009). Based on Lepak et al (2004) small contributions trains employees to create their value and goals in a contribution to a company that focuses on skills and efficiency in the company, so these employees are what make a company create the value.

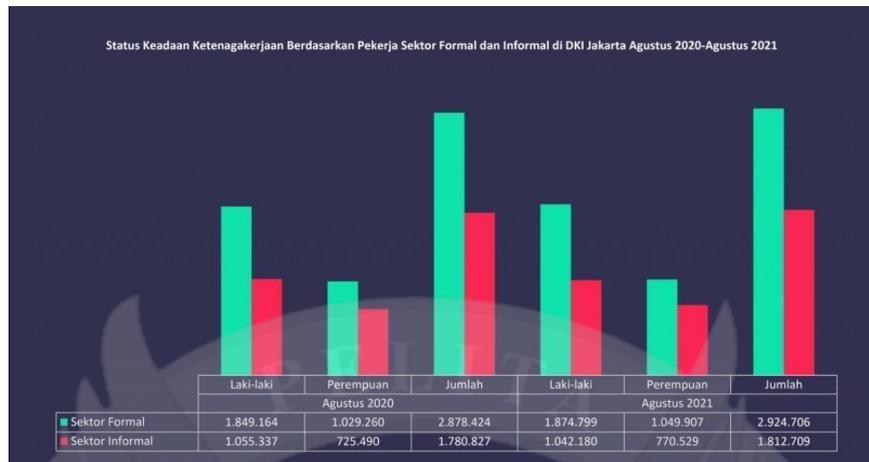


Figure 1.1 Employee working status 2021 in Indonesia

Source: Badan Pusat Statistik Provinsi DKI Jakarta (Shaid, 2021)

Based on Figure 1.1 these are the status of the employees that are in the working sector in Indonesia, it's founded that only a total of 4.737.415 individuals that are working in both the formal and informal sectors this statistics are considered very low for the amount of individuals that are in Indonesia, According to Handayani (2021) one of the reason that many companies are not recruiting many individuals meanwhile they are reducing employees because it concerns the efficiency of the employees that are in the same working section which have similarities, doing so by recruiting new individuals it won't solve the efficiency meanwhile it can cause a decline in company performance. Based on the observation in the time of two weeks in the company PT.Tirta Bangunan Baru. The employees of PT. Tirta Bangunan Baru can be seen just become more active if theowner is there, if the owner or boss is not there they start to relax and just do they own interest. So they don't take the initiative to do other work than what the company interest. If so, the employee is already afraid to do it because they are

afraid that if they do it, the owner or the boss will be angry with them. Even though the employees have new ideas. Based on the interview that been done to HRD of the company that is Syamsir Julianda, states:

“Permasalahan yang kita alami di toko itu, anak anak toko kurang ini siatif dalam bekerja sama kalo ada kita kita mereka lebih rajin, ko. Tapi kalo masalah lain gak ada ko, paling itu aja”

This statement is also supported with statement that been given by The Manager that is Mustajab, that states:

“Kalo permasalahan yang saya alami dengan anak anak toko itu, anak anak suka males dan kurang gesit, tapi kalo ada Bapak atau atasan lain mereka jadi cekatan dan rajin, ko. Jadi mereka lebih giat kalo ada yang awasin mereka”

This statement is also supported with statement that been given by The Supervisor that is Mushamad Iqbal, that states:

“Biasa anak anak toko kurang aktif ko, harus disuruh sama saya. Sama mereka itu kurang aktif, harus dilihatin dulu sama saya atau Pak Mustajab”

The company PT. Tirta Bangunan Baru on their employees it has been observed that the employees lack self motivation, based on the observation and interview that has been done through the manager, supervisor and HRD of the company that the employees without a leader present while observing the employees task they will not be productive in working to get new ideas, which the performance of the employees can be affected the company from their innovativeness, proactiveness, risk taking, CSR support, organizational engagement, job engagement and creativity. Through the observation that can be seen that can be concluded that this is a problem that must be fixed such as increasing activeness, and creativity of the employee thus making this the base of this research. To solve that problem, this research will study the characteristics of

the individual worker as employees from Innovativeness, Proactiveness, Risk Taking, CSR Support, Organisational Engagement and Job Engagement and Creativity.

According to Larisa (2003), Innovativeness is being referred to how people react to these new things that are interindividual differences. Besides that Proactiveness is the physical capability to act and the intellectual capability to think, including the ability to create and apply the knowledge that is derived (Wageeh 2016; Volker, & Alexander 2017). The next one is Risk Taking. According to Peter et al. (2010); Anna & Eveline (2013) Risk Taking is based on a model that is a neuroeconomic of decision-making, for CSR support has been described as activities of a corporate that been aiming to recognize and also realize the importance of social responsibility, according to Helen (2007). Based on Tae-Won et al, (2021) organizational engagement and job engagement are part of employee engagement. According to Simon et al, (2015) employee engagement is conversations with the client that is ambiguous among academic researchers and practitioners, and According to Christina et al.'s (2001) that job engagement has been defined as paying attention as an individual, that is to the performance of their role and work. The last one is creativity. According to Teresa et al. (1996) has been defined creativity as “the production of novel and useful ideas in any domain”.

This research also addresses gaps in the previous study that is Tea-Won et al (2021), one of which is its primary focus being on SME employees of South Korea making an impact to the generalization of its findings. In addition, another

gap lies in the lack of exploration into additional factors or features of entrepreneurship to influence employee creativity. By addressing these gaps, the basis of this research stems from the limitation of the previous study. It intends to replicate the analysis in other countries and influence employee creativity.

1.2 Formulation of the Problem

Based on the previous research which is about the Exploring the Intra Entrepreneurship-Employee Engagement-Creativity Linkage and the Diverse Effects of Gender and Marital Status and from the study it focuses on how intra entrepreneurship, and CSR Support affect employee engagement which leads to employee creativity, and for this study is focusing on the PT.Tirta Bangunan Baru employees on their creativity, organisational engagement and job engagement from the changes in innovativeness, proactiveness, risk taking and CSR support. In regards of the background discussion above, the following are the research's concern are:

1. Does innovativeness positively affect the employees of PT.Tirta BangunanBaru ?
2. Does pro activeness positively affect the employees of PT. Tirta BangunanBaru ?
3. Does risk taking positively affect the employees of PT. Tirta Bangunan Baru ?
4. Does CSR support positively affect the employees of PT. Tirta BangunanBaru ?
5. Does organizational engagement positively affect the employees of PT. Tirta Bangunan Baru ?
6. Does job engagement positively affect the employees of PT. Tirta BangunanBaru ?
7. Does creativity positively affect the employees of PT. Tirta Bangunan Baru ?

1.3 Research Purpose

This research will use PT. Tirta Bangunan Baru as a subject in regard to the problems addressed in the research background with the objective to analyze the various variables that influence employee creativity towards PT. Tirta Bangunan Baru with the high hopes to grow employees' creativity of PT. Tirta Bangunan Baru. According to the formulation of the problems above, the purposes to be achieved in this research are:

1. To inspect whether Innovativeness positively affects PT. Tirta Bangunan Baru employees.
2. To inspect whether Proactiveness positively affects PT. Tirta Bangunan Baru employees.
3. To inspect whether Risk Taking positively affects PT. Tirta Bangunan Baru employees.
4. To inspect whether CSR Support positively affects PT. Tirta Bangunan Baru employees.
5. To inspect whether Organizational Engagement positively affects PT. Tirta Bangunan Baru employees.
6. To inspect whether Job Engagement positively affects PT. Tirta Bangunan Baru employees.
7. To inspect whether Creativity positively affects PT. Tirta Bangunan Baru employees.

1.4 Significance of Study

This study is likely to provide variety of results and benefits or make a significant contribution both theoretically and practically

1.4.1 Theoretical

This research has the hopes of serving as a starting point for further research into innovativeness, proactiveness, risk taking, CSR support, organizational engagement, job engagement and creativity on employees that are working for companies in Indonesia. This research is rigid for the employees of PT.Tirta Bangunan Baru.

1.4.2 Practical

This research is expected to be utilized and can be used as a guide to assist researchers for cognizing how employees as an individual with the key elements that involves in creating ideas for the company base on innovativeness in the company, the proactiveness as an individual in the company, the risk-taking action, the CSR support in the company, the organizational engagement of the employee, and job engagement of the employee. The author expects this study would assist researchers in cognizing the employees to become creative which will improve and build new ideas in making a company.

1.5 Systematic Writing

This research is divided into several chapters to make it easier to locate the information needed and to demonstrate that the work was completed in a systematic manner. The chapters are arranged in the following order:

1. CHAPTER I *Introduction*, covers the research background, research purposes, and the significance of the study: theoretical and practical and systematic writings.

2. CHAPTER II Literature review consists of considering all the necessary theories as the foundation of cognizing the research in the part of the variables, hypotheses, and the theoretical framework of the research.
3. CHAPTER III *Research methodology*, will showcase the methodology that's used in conducting the research in this study which includes research objectives, Unit of analysis, research type, research variables, conceptual and operational, population and sample, data collecting method, the measurement of scales, the research instruments testing, data analysis method and preliminary instrument test results.
4. CHAPTER IV *Research result and discussion*, will focus on outlining the discussion of the results from samples that have been distributed. This chapter will also contain the discussion of actual results of the research that has been conducted.
5. CHAPTER V *Conclusion and Suggestion*, wraps up the study and provides conclusion and suggestion for any future researcher who wants to investigate this study further.