

CHAPTER I

INTRODUCTION

1.1 Background of Study

Along with the expansion of the corporate world, particularly in Indonesia, the degree of competition rises. As a result, it is critical for the organization to be able to increase its performance in order to be more effective and efficient. Employee performance is the main consideration. In terms of employee performance, the organization typically has criteria or standards that should be met by all employees, such as work outcomes, job knowledge, mental flexibility initiatives, attitudes and time management discipline, as well as attendance rate (Iskamto 2021)(Iskamto, Yapentra, Budi Ansori, et al. 2020; Iskamto, Ghazali, and Afthanorhan 2020). Employee performance is the consequence of the work done by employees in carrying out the duties allocated to them based on their expertise, talents, and the importance of the occasion. Employee performance is critical to the company's success, thus several attempts are developed to enhance it (Ahmad and Manzoor 2017). It is a vital asset that must be owned by the company in order to meet the organization's objectives; consequently, workers must be employed to the greatest extent feasible in order to achieve the goals that have been set. As a result, employee performance is used as a study topic in this research paper.

Humans are not free of troubles in all aspects of their lives in this planet. Problems that develop, if not appropriately handled, may generate irritation and tension. Employees that are frustrated and stressed are frequently neglected in the

workplace. Work discipline and job burnout are two factors that influence employee performance. Work discipline is one type of control used by the organization to keep employees doing their obligations and responsibilities. Work discipline is required to generate a good performance; with discipline, employees will endeavor to accomplish as much work as possible, and the resultant performance will be better. Discipline must be imposed in an organization or company since it is impossible for organizations to achieve their goals without effective team member discipline. According to the findings of (Sitopu, Sitinjak, and Marpaung 2021) (Prihantini et al., 2017), work discipline has a significant impact on employee performance. To achieve the organization's goals, an employee's work discipline is required so that each employee's work productivity can be increased, which in turn increases employee productivity. The employee's work discipline will maintain their positive mindset and character to progressively realize or fully grasp the responsibilities and duties in their work.

Employee job burnout may be harmful to the organization because of the disparity between production and the expenditures needed to pay salaries, benefits, and other facilities (Iskamto 2021) (Iskamto 2020; Iskanto, Ghazali, and Aftanorhan 2019). Job burnout is a phenomena that affects employees differently depending on their job situation. Physical, emotional, and mental disorders created by continuous engagement in emotionally stressful settings provide a risk of stress. The process happens gradually and cumulatively, and it gets progressively worse over time (Iskamto 2021). Job burnout manifests itself as, among other things, unstable emotions in salespeople, feeling anxious, being alone, having difficulty

sleeping, smoking excessively, being unable to relax, rising blood pressure, and experiencing digestive diseases (Iskamto 2021). Employees that are burned out will surely perform worse at work. They tend to be inactive and pessimistic about finishing the task, which may lead to them being even more discouraged. Employee emotions are unstable as a result of stress, and as a result, employees do not operate properly (Bimantara 2022)(Habibi & Jefri, 2018). One of the most essential aspects of work performance or accomplishment is job burnout (Gunawan 2018). As a result, every organization must develop a positive work atmosphere in order to limit the amount of employee job burnout (Sunarsi 2019).

Employee discipline has an impact on the efficiency and effectiveness of work in accomplishing organizational objectives. Employee performance at PT. Gemar Sukawati Indah has not matched the company's expectations to the fullest. Employees' lack of attentiveness when serving clients has a negative influence on employee performance. Observations also demonstrate that certain employees are subjected to excessive duties, despite the fact that the interaction received is not as expected. Furthermore, strong leadership pressure frequently causes employees to feel mentally sad, which causes them to feel stressed with their task. Employee discipline suffered as a result of job burnout; empirical data suggests a high number of employees who are missing, ill, permitted, and late. This, of course, might disrupt operational operations in PT. Gemar Sukawati Indah, where some personnel wish to quit the firm, leading the firm's productivity to be less than ideal in meeting its objectives.

Starting with the phenomena that arise in PT. Gemar Sukawati Indah, which is located at Jl. Yos Sudarso Km. 8 6 Medan, specifically in Medan City or Regency, is one of the key regency cities in North Sumatra Province. This firm, according to the information received, is involved in the manufacturing and management of Compound. A company's performance is inextricably linked to the performance of its employees. The task will be done well if the firm is well managed and there is compliance with the company's policies set towards personnel. However, some workers either unintentionally or actively violate applicable regulations, such as late arrivals, which result in discipline, and extended periods of rest that are not carried out in accordance with the laws. Employees that do their responsibilities successfully will receive a reward, often known as a bonus. As a result, it is vital to evaluate employee performance, which may be demonstrated through discipline, work performance, target attainment, job realization, and business oversight. The components of the firm, particularly human resources, have a significant impact on the organization's performance. The company must strive to overcome these issues, particularly in terms of reducing job burnout due to the increased work causes and coming up with solutions for the creation of high work discipline, in order for employee work performance to remain good and the company's existence to be preserved.

This research is important to see the impact of employee performance at PT Gemar Sukawati Indah. Employee performance will be a major concern for the company because the ability of employees to work will determine the running of the company's business activities properly.

PT. Gemar Sukawati Indah is a firm that is involved in the manufacture and management of Compound, mainly raw rubber for special car tires. PT Gemar Sukawati Indah has a total of 92 employees. Some workers of PT. Gemar Sukawati Indah have a high school education (SMA), thus they have a homogenous level of knowledge or get the same knowledge. The work productivity of a company's workers may be used to gauge its progress. One method for determining a company's development is to examine employees' abilities to carry out their tasks, which are evaluated using specific measuring devices and carried out on a regular basis. The organization expects the best from its employees at PT. Gemar Sukawati Indah. The more individuals who perform at their peak, the higher the overall business productivity, allowing the organization to realize its aim of being a professional and autonomous worldwide corporation.

The compound manufacturing and management industry, particularly raw rubber for specialised car tyres, is a highly competitive industry. Competition in this industry is driven by several key factors that affect the companies in it. product quality is one of the main factors in this competition. Each company strives to produce high quality raw rubber compounds that meet industry standards and customer requirements. Superior product quality will be a significant competitive advantage, as consumers tend to look for car tyres that are safe, durable, and have good performance.

Employees must be able to carry out their jobs and obligations in an effective and efficient manner. Customer happiness, a low number of complaints, and meeting or exceeding expectations are all indicators of employee success.

Employee performance at PT. Gemar Sukawati Indah enthusiasm can also be assessed from the company's income in the following table.

Table 1.1
Revenue Data of PT Gemar Sukawati Indah 2020-2022

Year	2020	2021	2022
January	3,350,350,000	2,250,350,000	2,112,332,200
February	3,225,151,000	2,660,520,000	2,552,500,000
March	3,250,350,000	2,752,500,000	2,112,560,000
April	3,040,350,000	2,885,250,000	2,253,232,000
May	2,903,500,000	2,723,200,000	2,247,500,000
June	2,860,350,000	2,564,200,000	2,165,000,000
July	2,820,350,000	2,522,500,000	2,558,500,000
August	3,830,350,000	2,112,000,000	2,065,500,000
September	3,903,500,000	1,912,650,000	2,556,230,000
October	3,820,350,000	1,569,600,000	2,142,011,000
November	2,810,350,000	2,356,500,000	2,222,400,112
December	2,730,350,000	2,056,500,000	2,663,200,000
Total	38,545,301,000	28,365,770,000	27,650,965,312

Source: PT Gemar Sukawati Indah (2023)

From the revenue data at PT. Gemar Sukawati Indah in 2020 to 2022, shows that there is a decrease in revenue, and this is said to be an indication of a decrease in employee performance at the company.

The declining employee performance can be seen from the declining sales data which can be seen from the declining sales performance in the company. The decline in sales shows employees who are unable to work optimally in accordance with the expectations of the company. In the performance problems that occur in the company, the author found that there are still many employees who have not achieved the expected work targets. In addition, it was also found that employees had difficulty working in accordance with applicable regulations and had high work stress. Several factors that cause a decrease in performance, one of which is work discipline.

According to the phenomena that occurred at PT. Gemar Sukawati Indah, which had issues with employee work discipline, it is impossible for the organization to attain the highest performance without the assistance of excellent employee discipline. Employee concerns are frequently connected to work discipline on working time, such as workers who use work time for the advantage of their own employees, such as not being in the office during working hours and generally the employee is outside the firm or conducting activities outside of office job. Assessment of employee work discipline can be seen from violations of regulations that occur when employees work. The following is data on violations of regulations in the company.

Table 1.2
Employee Violation Data at PT Gemar Sukawati Indah

Years	Number of Rule Violations	Problems in Violation by Employees
2020	42 times	1. Employees do not perform tasks according to directions. 2. Often late for work. 3. Not being polite with superiors. 4. Conflict with co-workers. 5. Not showing up for work without notice 6. Eating in the work room without permission from the manager
2021	44 times	
2022	52 times	

Source: PT Gemar Sukawati Indah (2023)

The data on regulatory violations in table 1.2 shows that employees who violate work regulations increased from 2020 to 2022. The increase in regulatory violations employees commits shows that employees do not have good discipline in carrying out their work. The highest number of work violations was in 2022, as many as 52 times.

When it comes to issues with job burnout since it is an important factor for the organization, particularly the link with employee performance. Companies must

have strong performance to get employee performance benefits, which must be maintained and kept free of signs of job stress. Job burnouts can occur when employees have large jobs and responsibilities that are not equal to their physical and psychological capability. And when this occurs, it has a significant impact on both employees and the organization. On the problem of job burnout, it is assessed from the employees who finally decide to resign from the company as follows.

Table 1.3
Turnover Data at PT Gemar Sukawati Indah

Years	Resigned Employees	Problems in Violation by Employees
2020	16 employees	1. Stress due to the large amount of work 2. Lack of career development opportunities 3. High working pressure 4. Unsupportive co-workers 5. High working hours
2021	18 employees	
2022	23 employees	

Source: PT Gemar Sukawati Indah (2023)

From the employee resignation data, the number of resignations shows an increase from 2020 to 2022 with the highest number of resignations in 2022 of 23 employees. Resignations that are increasing and occurring in companies show job burnout experienced by employees.

As a result, it is critical for the organization PT. Gemar Sukawati Indah to fulfill employees' requirements and establish work comfort to ensure that no one opposes discipline and generates employees stress.

With the reasons stated above, the writer is interested in doing a more in-depth study that can be studied and drawn conclusions from, and the research is titled **"The Effect of Work Discipline and Job Burnout on Employee Performance towards PT. Gemar Sukawati Indah, Medan."**

1.2 Problem Limitation

From January to April, the writer will collect data for this study by surveying employees and conducting direct interviews with the warehouse manager and the owner of PT. Gemar Sukawati Indah. Due to time constraints, this study will focus on "Work Discipline" and "Job Burnout" as independent variables (X) and "Employee Performance" as dependent variables (Y) at PT. Gemar Sukawati Indah, Medan. To analyse data, multiple linear regression and SPSS application are used.

1.3 Problem Formulation

Because the writer's goal is to determine the influence of work discipline and job burnout on employee performance, the following questions must be answered:

1. How is the condition of work discipline at PT. Gemar Sukawati Indah, Medan?
2. How is the condition of job burnout at PT. Gemar Sukawati Indah, Medan?
3. How is the condition of employee performance at PT. Gemar Sukawati Indah, Medan?
4. Does work discipline affect PT. Gemar Sukawati Indah employee performance of PT. Gemar Sukawati Indah, Medan?
5. Does job burnout affect PT. Gemar Sukawati Indah employee performance of PT. Gemar Sukawati Indah, Medan?
6. Does employee performance at PT. Gemar Sukawati Indah, Medan, can be influenced by work discipline and job burnout at the same time?

1.4 Research Objective

The following are some of the research's objectives towards solving the problem:

1. To determine and analyzes the state of work discipline at PT. Gemar Sukawati Indah, Medan.
2. To determine and analyzes the state of job burnout at PT. Gemar Sukawati Indah, Medan.
3. To determine and analyzes the state of employee performance at PT. Gemar Sukawati Indah, Medan.
4. To determine if work discipline affects employee performance at PT. Gemar Sukawati Indah, Medan.
5. To determine if job burnout affects employee performance at PT. Gemar Sukawati Indah, Medan.
6. To find out if work discipline and job burnout simultaneously affect the employee performance at PT. Gemar Sukawati Indah, Medan.

1.5 Benefit of the Research

This research has 2 types of benefits.

1.5.1 Theoretical Benefit

To increase awareness of the influence of work discipline and job burnout on employee performance and to deliver information on the subject.

1.5.2 Practical benefit

The following are some of the research's practical benefits:

1. For the writer, this research will provide insight and information, particularly in the field of human resource management, particularly on the topics researched, namely the impact of work discipline and job burnout on employee performance.
2. For the company, this research may be utilized by the firm as a review to monitor and improve the company's working environment, allowing the organization to recognize and improve work discipline while minimizing job burnout towards employee performance.
3. For the next researchers, this research may be utilized as a source of reference and information for other studies on work discipline, job burnout, and employee performance.

