

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Employee commitment is the physiological connection of an employee to the company. Understanding and strengthening employee commitment to a firm is crucial and should be determined carefully. The presence of employee commitment is fundamental as employee commitment is the base to upgrade the quality of work and fulfill organizational goals. Employees with a high commitment to the firm would show the attitude of being loyal, being responsible, willingly to sacrifice for the sake of the company, and motivated to grow together with the company (Aziz et al., 2021).

Employee commitment to a company is affected by several factors that able to give either positive or negative outcome to the commitment rate. One of the following factors that affect employee commitment is work-life balance. Work-life balance is the equilibrium of the individuals time between life and work (Abioro et al., 2018). Implementation of work-life balance in a company is able to positively impact the employee commitment to the company. The presence of work-life balance is able to build connection of employee to the company which will lead to a higher employee commitment and affecting employee's behaviour (Oa et al., 2018).

Transformational leadership is another factor that would affect the employee commitment to an organization or company. Transformational leadership

can be elaborated as a leadership theory that suggests the leader shows strong moral maturity, inspires, and encourages their followers to think more deeply about what is right and ethical (Atan & Mahmood, 2019). It is crucial to determine the leadership style that suits the company and organizational structure in order to create a positive environment and output to the company. According to Mahfouz (2019), a positive implementation of transformational leadership is able to significantly increase employee commitment.

The other factor that affects employee commitment is workplace social support. Social support can be described as the assistance and emotional support that is received by individuals from others (Xiao et al., 2020). Social support could come from everywhere, namely family, friends, communities, and workplace (Zhou et al., 2021). Social support in the workplace plays a role in affecting employee commitment to a company. Companies should be able to provide and ensure the presence of social support by building and providing good relations among team, subordinates, and leaders. Employees that receive less social support from the work environment, including leaders and coworker, would show a lower rate of commitment and loosen the connection with the company (Wanyang, 2021).

This study is to analyze the role of work-life balance, transformational leadership, and workplace social support experienced by employees in PT Intan Hevea Industry toward the commitment of the employee to the company. PT Intan Hevea Industry is a private company located in Medan, North Sumatera. The main products of PT Intan Hevea Industries are powdered and non-powdered gloves, latex, and nitrile. PT Intan Hevea Industry started as a small-scale company in 1988

with a capacity of producing 48 million pieces per year. In the present time, the capacity of the production has been increased up to approximately 1.2 billion pieces per year with 12 production machines equipped with the latest technology to manufacture high-quality gloves at competitive prices.

According to Mr. Rudi, the head of the department of human resources management in PT Intan Hevea Industry, the company has faced several problems that are related to employee commitment. The scale of employee commitment can be indicated by observing the loyalty of the employee, responsibility taken, and discipline of the employee (Saputra & Mahaputra, 2022).

**Table 1.1 Employees' Working Period**

Year	Number of Employees with Working Period			Total Employees
	≤ 1 Year	1-4 Years	≥5 Years	
2019	49	15	2	67
2020	48	11	2	61
2021	51	17	2	70
2022	55	17	2	74

Source: PT Intan Hevea Industry HR Resources (2022)

Employee loyalty can be measured by the employees' working period. Based on the data provided in Table 1.1, it can be observed that most of the employees work for less than 1 year, which leads to low employee commitment. Responsibility taken by the employee to the working expectation is low. According to Mr. Rudi, the occurrence of problems in the working procedures occasionally arise in the company. One of the problems is the quality checking problem in the Quality Assurance division. Each employee is allocated to one IBC to conduct checks and it is discovered that 17% of the output contains defective products. The low employees' discipline can be observed from the number of employees that take

their leave without any news (absent) and the rate of employee lateness in the company. According to Table 1.2, it can be observed that the absence and lateness rate of employees is high.

**Table 1.2 Employees absent and lateness data**

<b>Year</b>	<b>Total Working Days</b>	<b>Number of absent employees</b>	<b>Number of late employees</b>
2019	292	12	43
2020	278	20	45
2021	297	15	47
2022	296	16	48

Source: PT Intan Hevea Industry HR Resources (2022)

PT Intan Hevea Industry provides a platform where employees are able to give critics and feedback to the company. According to this data, it is discovered that employees are experiencing a problem in maintaining their work-life balance due to ambiguous working hours. Ambiguous working hours refer to the fact that employees find that their working time is unclear. Even though their working hours are eight hours, there is an occurrence where they need to work for more than the regulated hours. Besides, there are also unexpected meetings without any notice which occur 2-3 times in a month. To add, a high expectation of work leads employees to work overtime. It is mentioned that the packaging division is required to produce 35 boxes per employee a day, which makes overtime likely to happen.

**Table 1.3 Employees working overtime data**

<b>Year</b>	<b>Working Overtime (Days)</b>
2019	240
2020	225
2021	250
2022	255

Source: PT Intan Hevea Industry HR Resources (2022)

Some employees state that there are only a few training courses for employees from their supervisor which only occur once every 2-3 months, making it hard to keep up with the work and development. Employees experience being isolated from the workplace and find it difficult to interact with coworkers and supervisors. The survey also discovers that there is low teamwork in the company where employees are more encouraged to do things individually. These problems are correlated to the low scale of workplace social support.

The ineffective coordination between coworker and supervisor also relates to the leadership style of a company. According to Idris (2023), leaders should be able to inspire their members to be more productive and promote innovative behavior. As for PT Intan Hevea Industry, there are no bonding activities between leaders and subordinates. During holidays, only some of the employees are allowed to take holiday. For example, only Muslims are allowed to take holiday during *Ramadan*.

According to previous research regarding work-life balance, transformational leadership, and workplace social support effects toward employee commitment, this research is conducted to verify the influence of the following

variables towards the employee commitment in PT Intan Hevea Industry. The study of the following employee commitment is crucial both for the company and the employees of PT Intan Hevea Industry. Furthermore, there has been no specific research conducted to examine the employee commitment of employees at PT Intan Hevea Industry. Based on the explanation above, the writer decides to conduct research entitled **“Analysis of Work-Life Balance, Transformational Leadership, and Workplace Social Support on Employee Commitment at PT Intan Hevea Industry”**.

## **1.2 Problem Limitation**

Based on the background, the author limits the problem to ensure the discussion of the problem is not too broad.

This research will focus on:

1. The research will focus on several variables including work-life balance, transformational leadership, workplace social support, and employee commitment.
2. The Data of this research is gathered from PT Intan Hevea Industry located at Kim 1, Jl. Pulau Irian No.13 Medan.
3. Subjects of research are all employees who work at PT Intan Hevea Industry in Medan.
4. The population of this study is men and women domiciled in Medan, aged 20 to 65 years, who worked more than 1 year and totaled 112 employees at PT Intan Hevea Industry.

### **1.3 Problem Formulation**

Based on the background of the study, author formulates several questions, as follows:

1. Does work-life balance have a positive influence on employee commitment in PT Intan Hevea Industry, Medan?
2. Does transformational leadership have a positive influence on employee commitment at PT Intan Hevea Industry, Medan?
3. Does workplace social support have a positive influence on employee commitment at PT Intan Hevea Industry, Medan?
4. Do work-life balance, transformational leadership, and workplace social support simultaneously influence employee commitment?

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

Based on the problem formulation, the objectives of this research are:

1. To determine the positive influence of work-life balance on employee commitment in PT Intan Hevea Industry, Medan.
2. To determine the positive influence of transformational leadership on employee commitment at PT Intan Hevea Industry, Medan.
3. To determine the positive influence of workplace social support on employee commitment at PT Intan Hevea Industry, Medan.
4. To determine the simultaneous influence of work-life balance, transformational leadership, and workplace social support on employee commitment at PT Intan Hevea Industry, Medan.



## **1.5 Benefit of the Research**

This study has several benefits that can be elaborated into two points which are theoretical benefit and practical benefit.

### **1.5.1 Theoretical Benefit**

The result of this study will give a deeper understanding of the variables, starting from Work-Life Balance, Transformational Leadership, Workplace Social Support, Employee Commitment, and its connections with each other. It will also give a better insight of the employees of PT Intan Hevea Industry which could be used for future employee's development programs such as employee's training.

### **1.5.2 Practical Benefit**

The practical benefits of this research are:

1. PT Intan Hevea Industry is expected of insights and serve as valuable input for human resources-related decisions making and employee commitment evaluations. The objective is for the outcomes of this study to assist PT Intan Hevea Industry, particularly its Human Resources Development department, in fostering a work environment characterized by strong commitment of the employees.
2. The author is expected to enhance their understanding of Human Resources with the goal of acquiring practical insights that can be applied in the future. This knowledge of Human Resources, gained during academic pursuits, is expected to be beneficial during the transition into the working world.



3. The outcomes of this research can serve as valuable reference material within the library resources of the Faculty of Management at Pelita Harapan University, Medan. Additionally, it can contribute to the academic growth of students and emerging generations at the Faculty of Economics, Pelita Harapan University.
4. The findings of this study are anticipated to serve as a source of knowledge for readers and may provide insights for companies dealing with similar challenges.

