

CHAPTER I

INTRODUCTION

1.1 Background of the Study

These days, we can choose where we want to work because there are too many options, we can work in a company, we also can start to build our own company, usually called as entrepreneur. We often heard that the work environment is very important in determining how enjoyable work is. But I wonder why some people look forward to the next day's activities at work, and some still don't even know why they work at there. Maybe because they do not feel comfortable or less appreciated or cannot develop any potential that they have. The word of entrepreneur is coming from French word “entreprendre”, which means "to undertake."

According to Drucker (1985) as cited in Pahuja (2015),

“Entrepreneurship is "risky" especially because of so few entrepreneurs know what they are doing. He further proposes that 'entrepreneurship' is a practice. What this means is that entrepreneurship is not a state of existence or that it is not characterized by making plans that are not followed up.”

Human resource management is very important to keep the company stable, besides coming from ourselves, human resource management is also one of the parts that makes the working environment become proper and help the employee to find their satisfaction while working in the company, because the productivity of the employees determined by their work environment, they become more focus and

do not have something burden in their mind. The higher the job satisfaction, the easier for them to achieve the company's goal.

According to Litz (1995) as cited in Meneses et al. (2015),

“The definition of family business was adopted in this study, which views family businesses as companies that are controlled by one or more families involved in governance or management or at least holding capital. When top managers from one company come from the same family, it is expected that they have the same traditions, social values, vision, and practical priorities.”

Despite the potential growth using family businesses, family businesses also act traditionally in domestic market, but they also need to go international for survive in this competitive business world. Example of going international is introducing their product to other countries using social medias and websites, shipping worldwide in order for them to buy their items easily. It's the good opportunity to growth the family business side by side with the global economy.

PT Mulia Tani Jaya is private company which produces crude palm oil that established on 14th of June 2016 and located on *Lingkungan I Bukit Tua, Tanjung Selamat, Padang Tualang, Kabupaten Langkat, Sumatera Utara*. PT Mulia Tani Jaya selling their products (Crude Palm Oil/CPO and Palm Kernel) to their suppliers such as: PT Smart, Permata Hijau Group, PT Wilmar Nabati Asahan, etc. PT Mulia Tani Jaya is a family business palm oil mills that providing crude palm oil. This company is the first-generation company that designed, built and owned by Mr. Husin himself. After the company running for around six months, his daughter joining into the company to assist her father to run the business by being commissioner. Although the ownership in PT Mulia Tani Jaya is wholly owned by Mr. Husin as the owner and founder, but the profit of the company is shared among

his children. PT Mulia Tani Jaya is known as the company with less workforce, because most of their workforce is replaced by the machines which makes the work more efficient and does not take much time to process. But, the more sophisticated the process, the simpler the work becomes. Some people think it's nice, but some find it when something getting simpler, it gets more boring. Another reason for them feeling boring is because of their monotonous work every day.

However, the head of human resource management of PT Mulia Tani Jaya thinks that her employees are not that productive as usual and not really satisfied with their workloads. The problem can be seen from how they complete their task of the day, they do not submit the data on-time, most of it got delayed due to lack of motivation. It happened because the employee is bored because of the monotonous work that they experienced almost every day.

The research of the author did at PT Mulia Tani Jaya shows the result that the turnover percentage of this company resign is keep increasing every year. The attached data is data from 2016 – 2019:

Table 1.1 Data of turnover in PT Mulia Tani Jaya from 2016 - 2019

	2016	2017	2018	2019
Average of total employees per month	60	64	75	72
Average of total employees resign per month	3	2	5	7
Percentage (%)	5%	3.1%	6.6%	9.7%

Source: Data is processed by writer (2020)

From the data above, the turnover in PT Mulia Tani Jaya is quite high, remembering that their employees are not too many. The highest turnover of the employees is in 2019. The high number of the turnover makes PT Mulia Tani Jaya needs to quickly solve their problems to retain their employees. One of the factors that influence job satisfaction is work environment.

According to Sell and Cleal (2011) as cited in Raziq & Maulabakhsh (2015),

“Develops job satisfaction models by integrating economic variables and work environment variables to study employee reactions in hazardous work environments with high monetary benefits and harmless work environments and low monetary benefits. This study shows that different work environment variables such as workplaces, social support have a direct impact on job satisfaction and that an increase in rewards does not increase the level of dissatisfaction among employees.”

Through this writing, the writer decided to write this *skripsi* with title: “The Impact of Working Environment Towards Employees’ Satisfaction at PT Mulia Tani Jaya”.

1.2 Problem Limitation

To make this *skripsi* not too broad, the writer will focus on the variable of work environment and job satisfaction variables. The work environment indicator used in this research are open and honest communication, compassion, respect/support flexibility and understanding. The other indicator of job satisfaction is the work itself, promotions opportunity, salary, work colleagues and the work-life balance. The data retrieval process will be done by giving a survey to every person in each department with simple random sampling method, after the data is

collected, the author will use SPSS as her analysis tool. This research will be conducted to the employees of PT Mulia Tani Jaya.

1.3 Problem Formulation

Based on the description on the background of the study, the research questions in this study are as follows:

1. How is the work environment at PT Mulia Tani Jaya?
2. How is the employee's job satisfaction at PT Mulia Tani Jaya?
3. Does work environment factor have an impact towards employees' job satisfaction at PT Mulia Tani Jaya?

1.4 Objective of The Research

The objectives of the study are:

1. To find out work environment condition at PT Mulia Tani Jaya.
2. To find out employees' job satisfaction condition at PT Mulia Tani Jaya.
3. To conclude whether work environment has an impact towards employee's job satisfaction at PT Mulia Tani Jaya.

1.5 Benefit of The Research

Benefit of the research divided into two sub-chapters as follows:

1.5.1 Theoretical Benefit

Theoretically, the result of the research will be expected to be useful to benefit the theory about management marketing, especially something that influenced job satisfaction because of work environment.

1.5.2 Practical Benefit

The practical benefits expected from this study are as follows:

a. For the writer

This research will receive an addition knowledge about the company.

b. For the company

This research can become a new ideas and feedback for PT Mulia Tani Jaya in increasing their employees' job satisfaction.

c. For the other researchers

This research can be used as references.