

CHAPTER I

INTRODUCTION

1.1 Background of Study

An organization in carrying out activities to achieve its objectives has several factors that are mutually bound and influential. One of these factors is very important that is used to move other factors, namely human resources. Therefore organizations are required to manage and optimize human resources.

According to Sunyoto (2015, p.2), Management of human resources itself is very important in a company in addition to other factors such as assets and capital. Because HR management itself to get employee who are reliable and able to carry out their duties correctly and responsibilities that can improve organizational effectiveness in order to achieve goals.

Human resources are important by the fact that they assume a job in preparing and synergizing different assets to accomplish organizational objectives. In human resources management, if a person in an association, which is human resources can run effectively, the association will keep on being powerful. Some human resources management activities, for example, acquisition, valuation, security, spurring worker, enabling representative, expanding discipline, direction, and so forth. The executives and advancement of human resources can't be isolated from worker factors. Associations must have worker who have great execution. At the end of the day, the survival of an association is dictated by the exhibition of its representative.

According to Kasmir (2016, p.189), employee performance is influenced by several factors, namely: ability and expertise, knowledge, work design, personality, work motivation, leadership, leadership style, organizational culture, job satisfaction, work environment, loyalty, commitment and work discipline.

According to Rahman(2017,p.45) the work environment is a place where employee carry out work activities. The work environment and have positive and negative impacts on employee in order to achieve their work.

The work environment in a company is very important to pay attention by the management. Although the work environment does not carry out the production process in a company, but the work environment has a direct impact on the employee that carry out the production process.

A work environment that focuses on employee will increase performance. Conversely a lack of work environment can reduce performance.

Of the several factors above, to improve employees' performance one of them is to focuses on work environment factors. The organization as the parent company must provide a comfortable and conducive work environment that is able to lure employee to work productively. Provision of a comfortable work environment will be able to provide satisfaction to employee on the work done and give a deep impression to employee who ultimately employee will have good performance.

Unhealthy work environment conditions can cause employee to be easily stressed, not eager to work, come late, and vice versa if the work environment is healthy then the employee will certainly be passionate about work, not easily sick, easy to concentrate so the work is finished quickly matching the target. The work environment itself has two dimensions, namely physical dimensions (room coloring, lighting, cleanliness, spatial planning, etc.) and non-physical dimensions (employee welfare, work atmosphere, relationships between employee, etc.). Organizations must be able to provide both dimensions in good condition so as to be able to make employee continue to work productively and cooperate with each other between employee and leaders to achieve organizational goals.

This research was conducted at CV Aneka Hydraulic System Medan which is a trading company that sells hydraulic machinery for oil palm and is located on Jalan Pukat 7 GG Permai No 5 Medan North Sumatera -

20224. Recently employees' performance of CV Aneka Hydraulic System Medan were decreased, this can be found from the quality of the machine were not as good as last time and some machine has defected. There are also interpersonal problems that affected employees' performance more over in 2018 the number of employee in CV Aneka Hydraulic System Medan decreased compared to 2017.

The following is the table of numbers of employee from year 2013-2017 which indicates a decrease in employee due to working environment problems.

Table 1.1 Numbers of Employee from year 2013-2017

Year	Number of Employee
2013	50
2014	51
2015	49
2016	48
2017	45

Source : Prepared by CV Aneka Hydraulic System Medan(2019)

This was due to inadequate work environment, so that employee one by one withdrew from the company on the grounds that they did not feel comfortable with the environment in the company, because the condition of the work space heat, work overtime every week, risk from work (crushed by hydraulic devices) and the smell of engine oil.

The data in Table 1.2 below it can be seen that the number of employee turn over in January 2018-December 2018 was 5 employee. Based on table above it can be found that employee stopped working due to having problems in the work environment that is less supportive.

Working environment conditions like this over time affect employee performance. Employee become less focused on work so that they often make mistakes, employee health is disrupted due to excessive work time as a result employee become often absent and employee feel

uncomfortable working because of the hot air temperature due to the stuffiness of the work environment.

The following is the table of employee turnover data which shows employee resigning from work due to inconvenience with the work environment which can be seen in table 1.2

Table 1.2 Employee Turnover CV Aneka Hydraulic System Medan in 2018

Months	Number of employee	In	Out	Total	Reasons
January	45	2	-	47	1. The distance from home to work is too far away 2. The facilities provided are inadequate 3. Frequent overtime 4. Too much workload 5. The target given is too much 6. Experience stress that is stressful 7. Work space is less comfortable 8. Office equipment is inadequate, does not provide photocopying machines so that work is hampered 9. engine noise that disrupts work concentration 10. Rooms that lack light in 11. Noise disturbs the concentration of work 12. Work relations with co-workers are less harmonious Relationship between employer and employee is not harmonious
February	47	-	-	47	
March	47	1	-	48	
April	48	-	2	46	
May	46	-	-	46	
June	46	-	1	45	
July	45	1	-	46	
August	46	-	1	45	
September	45	-	-	45	
October	45	1	-	46	
November	46	-	1	45	
December	45	1	-	46	
B a s e d o					

Source : Prepared by CV Aneka Hydraulic System Medan(2019)

In the background described above, writer is interested to do research with the title "**The Influence of Working Environment Toward Employees' Performance in CV Aneka Hydraulic System Medan**".

1.2 Problem Limitation

Due to the importance of work environment to the company, Write would like to limit the research of the work environment as the independent variable and it's impact towards employees' performance as dependent variable at CV Aneka Hydraulic System Medan.

According to Afandi (2016, p.57) there are 4 indicators that affect Work environment:

1. Lighting
2. Color
3. Sound
4. Air

According to Kaswan (2015, p.154), there are 6 criteria indicators that affect employees' performance:

1. Quality
2. Quantity
3. Timeliness
4. Cost effectiveness
5. Need for supervision
6. Interpersonal impact

1.3 Problem Formulation

The following is the research question in this research: Does working environment impact employees' performance in CV Aneka Hydraulic System Medan ?

1.4 Objective of The Research

The following is the research objectives in this research: to test and analyze whether there is an impact of working environment toward employees' performance.

1.5 Benefit of The Research

1.5.1 Theoretical Benefit

The benefit of this result can be used to expand knowledge and contribute to academic area, and also to benefit company which distress regarding working environment issues.

1.5.2 Practical Benefit

A. For the writer

To gain knowledge and experience for future opportunities in terms of working environment

B. For the company

Provide a positive approach and feedback toward CV Aneka Hydraulic System Medan, to benefit them in the future and help them to achieve their goals.

C. For other researcher

This research can be used academically for future references, to provide additional information to other researcher, to support and expand the field of working environment.

1.6 System of Writing

The following is the systems of writing in the *skripsi* :

Chapter I : Introduction

In this chapter, the writer describes about the background of the study, problem limitation, problem formulation, objective of the research, benefit of research and systems of writing.

Chapter II : Literature Review and Hypothesis Development

In this chapter, the writer describes some theories that are related to the topic of the study, such as definition of Entrepreneurship, Family Business, Working Environment, Indicators of Working Environment, Employees' Performance, Performance Assessment Adjective and Indicator of Employees' Performance. The writer presents

previous research, develops hypothesis, makes research model and framework of thinking.

Chapter III : Research Methodology

In this chapter, the writer explains the research design, population and sample, data collection method, operational variable definition and variable measurement and data analysis method.

Chapter IV : Data Analysis and Discussion

This chapter consists of general view of research object, data analysis and discussion.

Chapter V : Conclusion

This chapter contains the conclusion, the implication and recommendation of this research.

