

## Chapter I

### Introduction

#### Background of The Study

Employee is one of the main resources in every company. Their presence in the company decides the way the company will go and how the company will grow. One of the issues that a company faced in managing the employee is the number of turnover. Many companies struggle to keep the low turnover rate. One of the factors that determine the number of turnover is job satisfaction. According to Bourne (2020), an employee who is satisfied with his job will less likely to leave the company.

Satisfaction does not mean simple feeling-state accompanying the attainment of any goal but in the end, it is the feeling accompanying the attainment by an impulse of its objectives. Employee's job satisfaction can be defined as a sense employee achievement related with job and productivity (Dziuba, Ingaldi, Zhuravskaya, 2020).

CV. Damai Indah is a bread production and distribution company located at Medan. The company distribution areas are mostly at Aceh, Medan, Langsa and Takengon. The company is a family base company founded by Mr. Johan back in 2011 and is now helped by both of his son named Vincent and Excel. The company is keeping on growing but it is facing problem in the employee turnover in the last few years which goes higher year by year. We can see the data from table 1.1

**Table 1.1 Data of Employee Turnover Period 2016 – 2020 in CV. Damai Indah**

Employee Turnover Period 2016 - 2020	
Years	Number of Turnover
2016	4
2017	5
2018	7
2019	6

2020	12
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**Source: Data Processed by the Writer (2021)**

From the data above, the number of employee's turnover rate is slightly increased from 2016 to 2020. The worst rate is from 2019 to 2020 where the employee turnover rate increases up to 100%. From this rate, it shows that the company faces problem in maintaining the employees in the last 5 years.

According to Aman (2019), employee engagement is an encouragement/ desire from employees to work and contribute towards the company outside the job description. According to Rachman & Dewanto (2016), a high employee engagement can resulted in high job satisfaction.

The reason the author chooses job satisfaction as the independent variable because employee engagement is directly correlated with job satisfaction. Job satisfaction is the way the employees express their thought towards their job whether they feel happy or not working at the company. A good employee engagement can create higher job satisfaction. Employee who is satisfied with his job can reduce the rate of turnover in a company while dissatisfied employee might increases the turnover rate in a company (Reukauf, 2018).

The author of this journal is really interested to do a research of CV.Damai Indah with the main focus on the employee engagement and the effect towards employee's job satisfaction. With that being said, the author decided to do the research with the title "The Influence of Employee Engagement towards Job Satisfaction at CV.Damai Indah Medan".

### **Problem Limitation**

In order for the author to gain more information and data regarding the company, the author will set up limitation below:

- a. The data will be obtained by using questionnaire that will be filled by the employees of the company.
- b. The topic refers to the two variables which is employee engagement and job satisfaction. The main indicator of the two variables will be from the workplace

- c. situation, the employee's vigor, company's engagement with the employee as well as the competence level by the employees.

### **Problem Formulation**

The employee engagement and the satisfaction of the employee will be the main research points. Therefore, the author has created some of the questions regarding the topic that will be asked directly to the owner of the company.

- How is the employee engagement in CV.Damai Indah Medan?
- How is the job satisfaction in CV.Damai Indah Medan?
- How is the employee engagement affecting the job satisfaction in CV.Damai Indah Medan?

### **Objective of the Research**

The purpose of conducting this research is:

- a. To investigate the employee engagement in CV.Damai Indah Medan
- b. To investigate the condition of job satisfaction in CV.Damai Indah Medan
- c. To investigate how employee engagement affects the job satisfaction in CV.Damai Indah Medan

### **Benefit of The Research**

The research is expected to provide the theoretical benefit as well as practical benefit as follows:

#### **Theoretical Benefit**

The research will provide some theoretical benefit for the academic purpose. It will provide more in depth understanding regarding the employee engagement and provide a wider perspective on how the employee engagement being implemented in the company.

#### **Practical Benefit**

The result of this research will also provide some practical benefits such as:

- a. **For the company**

This research can create a new point of view of implementing this employee engagement program.

**b. For the Employee**

This research might give the employee some insight regarding the level of job satisfaction and the good employee engagement.

**c. For Researchers**

The research might give an additional knowledge for future researchers regarding employee engagement and job satisfaction.

**Systems of Writing**

The system of writing in this essay has been divided into 5 chapters and the details are as follows:

**Chapter I : Introduction**

In this chapter, the author describes regarding the background study, the problem limitation, problem formulation, objective of the research, the benefit of the research including the theoretical benefit and practical benefits and the last one is the system of writing.

**Chapter II : Literative Review and Hypothesis Development**

In this chapter, the author describes several theories related to the topic of study such as employee engagement, job satisfaction and how employee engagement affects job satisfaction.

**Chapter III : Research Methodology**

In this chapter, the author explains the research design, population and sample, the data collection method, variable definition, variable measurement as well as the 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 conclusion and some recommendations for the future researchers and the suggestions of this research