

CHAPTER I

INTRODUCTION

1.1 Background of Study

Productivity is the ability to get the maximum benefit from the facilities and infrastructure available by producing optimal outputs even if possible. Work productivity is a problem that must receive serious attention from the company, because an increase in employee productivity will not occur by itself, but there must be a business and participation from both the company and the employee itself. If employee work productivity is high, then employees can show the higher number of output or results with the same number of resources.

Based on the Alvin and friends research (2018), the work environment has a significant effect on employee work productivity in the manufactures. In the production process, a good and safe working environment in manufacturing will make employees feel comfortable, safe, and satisfy to work where it has impact on high work productivity.

PT Mitra Karya Prima Mesindo (PT MKPM) was founded in 2000, starting with 10 employees at its inception. This company is a family company led by two generations. Since its establishment, the first time with a focus on vision and mission has always been committed to providing the best quality with a focus on developing diesel engines. PT Mitra Karya Prima Mesindo is located on Jl. Aluminum Raya No.51 and continued to grow in line with the times, until in 2008 PT Mitra Karya Prima Mesindo continued to expand to Jakarta. Year after year PT

Mitra Karya Prima Mesindo develops without eliminating the quality that has been maintained to continue to grow and still maintain the vision and mission with a focus on diesel engines with several leading and trusted brands.

Productivity interpreted as increasing work results influenced by the ability of employees to produce an item or service. If employee work productivity is high, the employee can calculate the number of results with a greater number of outputs compared to the number of inputs. Most of them cannot meet the targets set by the company. Work productivity needs an indicator which follows as the ability, increase the results achieved, work spirit, self-development and quality. Productivity means achieving effective results in as short amount of time as possible, leaving you with more time to enjoy freely. It involves working smarter, not harder. It means refining processes, speeding up workflows, and reducing the chances of interruptions. At PT Mitra Karya Prima Mesindo there is a decrease in employee productivity which can be seen from the increase in absenteeism, decreased employee accuracy in carrying out and completing tasks and responsibilities.

Table 1. 1 Income Data at PT Mitra Karya Prima Mesindo 2016-2020

Year	Income Total (Rp)
2016	13,657,420,000
2017	11,784,105,000
2018	10,867,620,000
2019	12,783,087,000
2020	9,174,170,000

Sources: PT Mitra Karya Prima Mesindo, 2021

Table 1.1 shows the income fluctuations in this company. This explains that the company cannot maintain the revenue that continues to decrease so that it reflects the decline in employee productivity at the company.

Mathias (2016), “Psychosocial environment: culture and climate of the workplace. Negative changes: depressive symptoms. Reducing non-reciprocity of working life and improving rewards at work may have beneficial effects. Depression causes great impact on economic loss due to decreased productivity and increased medical cost.”

The work environment is a factor that indirectly affects employee work productivity. A conducive work environment provides a sense of security and allows employees to work optimally, carefully, passionately, and creatively. The work environment has a direct effect on employees in completing responsibilities to the company. The work environment in this research consist of physical work environment and non-physical work environment. Uncomfortable physical work environment such as lack of work facilities, narrow workspace, lack of air conditioner, lack of security in workplace make the employees uncomfortable in completing their work and task, and lack of health protocol rules. Uncomfortable non-physical work environment such as the relationship between employees is less close so that there is a decrease in employee satisfaction at work.

The work environment in PT Mitra Karya Prima Mesindo Medan is not conducive so it cannot fully support employee work productivity. Work environment problems are caused by work space environment that are too noisy caused by heavy duty machines, less office facilities, less supporting health

protocols regarding the Covid-19 pandemic, less harmonious relationship between senior employees and new employees where employees who have more long working periods do not want provide explanations or assistance with completing the work of new employees so that sometimes triggers conflicts. Some of the problems above cause employees to have low work productivity as seen from the number of consumer orders that cannot be completed on time.

Based on this problems, a research is conducted with the title “**The Influence of Work Environment on Employee Work Productivity at PT Mitra Karya Prima Mesindo Medan**”.

1.2 Problem Limitation

The researchers limit the scope of the problem between The Influences of Work Environment on Employee Work Productivity at PT Mitra Karya Prima Mesindo Medan. This research is also limited based on researcher’s knowledge and findings. On this research, work environment will be the independent variable (x) involving work facilities, workspace, and physical and non-physical work environment. Work Productivity will be dependent variable (y) involve employee outputs.

1.3 Problem Formulation

Based on the observation that is done by the writer at PT Mitra Karya Prima Mesindo, the writer finds several questions, which are:

1. How is the work environment condition at PT Mitra Karya Prima Mesindo?
2. How is the employee work productivity condition at PT Mitra Karya Prima Mesindo?
3. How does the work environment influence employee work productivity at PT Mitra Karya Prima Mesindo?

1.4 Objective of the Research

The objectives of the research are as follows:

1. To analyze the work environment of employees at the company PT Mitra Karya Prima Mesindo.
2. To analyze the work productivity of employees at PT Mitra Karya Prima Mesindo.
3. To test the influence of the work environment on employee work productivity at PT Mitra Karya Prima Mesindo.

1.5 Benefit of the Research

From doing this research, the company will know how the worker give the best performance. If the worker can give the best, so the performance of worker or service given will be better.

1.5.1 Theoretical Benefit

The Practical aspect and uses of theoretical study. The research on the management can help student to have better understanding of the problem that the company is facing, and this information might solve the company's problem and allow researchers to achieve their academic mission.

1.5.2 Practical Benefit

a. Writer

The research can help the writer understand the further theories that are taught in university and the reality in the working environment.

b. Company

This research can be a successful aid for the company to improve employees productivity and reach their potential growth.

c. Future Researchers

This research can be used as reference to gain the related information and help in difficulties for the next research that is related with the research topic.