

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

In today business in Indonesia as the country with consumptive citizen behaviors has created a rise number of businesses has increased. The businesses consist different need and different size from small to large size company which not only creating a domestic company however allowing foreign company on investing their market in Indonesia. More companies mean more resources that they need from the host country or even external resources to fulfill the company which in human resource needs, if the amount of business has expanded a lot will be resulting for more job vacancy and a scarcity demand on human power. Human resource is a main factor that company needs to achieve the goal of the company. Human resource plays as a role to control and the brain of the company to achieve their goal and create a wave of development required for the company. A good quality of human resource is very important to sustain the company structure and organization as better human quality would lead the company duty that has been given with a trust which would ease the performance of the company to focus on their main goal. Institution and University has been created as the platform to create a proper human resource by majoring management on creating a competent people to work on the company. However, with high number of graduated students, there is still struggle on finding the right people that fitting to criteria

which creates a struggle of company to find the right resource for the company. To manage the human resource on the right path a lot of companies has invested their money to the human development program as to helps the assets has been generated in the right place which by hiring a leader that will direct the human to work as a same group to reach into the same goal.

To achieve the goal and improving the company vision and mission, important highlight such as employee performance much be looked up as good employee performance will raise and develop the company into a good company and keep developing their vision. As the employee performance is the variable to care, leadership is also the way to increase the company employee performance as a great leadership could lead the company to reach the goal of the company. A good leadership is also a leader that capable on using the available resource effectively with the capability to direct its human resource on reaching the same goal. According to A.F Stoner in Nawawi (2016) “Nevertheless, leadership abilities and skill in directing are important factors in manager’s effectiveness”.

For a decade, Indonesia has been facing a big change on their market activity to fulfill the demand of each Indonesia citizen. As we are looking up into a decade backward, the implementation of electronic platform or e-commerce application has firmly grown with several supportive advantages that e-commerce could provide. Not only the technology is favorable for the millennial, but e-commerce also gives much more freedom for customer to choose and the exact item that they need. Customers could even find a cheaper price, better product quality, and more product variation across the branded and having less difficulty on paying and

receiving the money from the market. In a vast growth of e-commerce in Indonesia, logistic companies are also being benefited by the market shift in Indonesia. More companies have been trying to fulfill each demand of the e-commerce companies to fulfill their missing capabilities which is logistic and transporting the item across the island. More companies are created which trying to get the market shares that left in the promising e-commerce activities and it is important for them to provide fair or cheaper prices, fast delivery time and products safety. According to e-commerce outlook 2018, the important of cheapest delivery price is one of attractive object that has been successfully capturing customer purchasing decision making. Which as more competitors come to this sector, the amount of market share is also diminished with a lot of company is practicing price predator to have their own advantages. As less and less money generated and with also need to reduce price as much as possible the company really need to cut any other cost to maintain their quality and special values. According to Sakti (2018), a company that willing to provide better quality of services on for their customers is the company that could survives on the market competition. Which this quality is expected to support the business value that J&T as providing their quality control and any advantages for their customer. Quality control is needed in order to maintain the standard that company has settled to all branches across their retail and gateway in order to optimize the company operational effectively. According to Sukla (2016) Quality control is needed as the essential value to building a successful business to

delivers customer satisfaction by and it is also a form the basis of an efficient business that minimizes company waste and increasing company productivity.

J&T Aceh Besar is a company that has been part of the logistic business in this e-commerce market. The company owns a franchise brand that most people firm called J&T EXPRESS which in charge with all of D.I ACEH Logistic and tracking. J&T EXPRESS is a private owned company that is created in 2015 by Mr. Jet Lee. JNT has been part of biggest Indonesia logistic in Indonesia as most of their logistics are coming from Shopee. With the vision to be a healthy and sustainable company, JNT mission is customer focus and efficiency for their services. Despite technologies has been improving a lot of daily operational activity, they are still several action that needs manpower to operate in the company from delivering and managing deliveries to office job. As being the part of logistic company, the company has been required to work and provide full services 365 days to become the reliable logistic company and as following the company standard that is given by J&T.

Leader as defined by the Oxford dictionaries “a person who leads a group of people, especially the head of a country, an organization”. As it could be assumed the leader is a person that part of the employee which having its vision and mission to lead its follower as to reach the goal of organization. According to G. Owens in Nawawi (2016) quoted that “leadership is an interaction activity between the leader and the people that will be lead”. A leader has role to create decision making and directing its team to reach the goal that which the importance of leadership will be putted inside the organization. According to Asep Saefullah

and Ahmad Rusdiana (2016) "leadership is the part of organization element which that has the capacity to change the company success outcome Leadership has become one of the virtues needs in every organization to achieve the company goals. The ability for the company to gain their goal is commonly affected by its leader skill on how the leader quality could affect the company outcome. According to Nawawi (2016) "leadership is a interpersonal relationship based on all of the demand, trust and desire of the group.". By having leadership in a company, the company could maintain how to operate and generate the available resources from tangible and intangible resources that aspect of productivity and quality could be affected by the leadership. Leadership qualities that affect the employee workforce include the ability to create a set of ability in maintaining good employee performance. To become a great leader, a great leader grants his employee all their aptitudes and strengths and support them every step of the way. According to Nawawi (2016, p23) being a leader requires the ability to have a skill and abilities which could use to analyze its resource by handling it in the right place that fit for that resource, creating a great working environment for its follower and the ability to influence its follower. By having a good leadership, the company could generate the better result on generating the efficient use of their resources from tangible and intangible which by having a great leadership, the company is expected to have a better outcome of quality values from their operation and product. Tangible assets such as material need to be produced to create the optimal usage that requires intangible assets such as human resources.

To acknowledge the existence, there is an indicator which could be seen in the company which is “performance” that values the result of the progress in quality and quantity of its company. According to Oxford dictionary “performance” is “the act or process performing task, an action...” Employee performance is in which extent of employee ability to fulfil the company goals. According to Khoiri (2018), “Performance is the level of achievement of results on implementation certain tasks in the context of human resource development the performance of an employee in a company is needed to achieve work performance for the employees themselves and also for the success of the company”. According to Irfan Fahmi (2016) “Performance is the result of work that has a strong relationship with the strategic objectives of the organization, customer satisfaction and economic contribution”.

The performance stands on the result that employee did which qualified by the quality and quantity result of the product based on the responsibilities that has been given to the employee. The job of the employee is built up by degree of achievement based on the particular mission that defines the boundaries of the personal. Human resource has become the major reason on the company to generate sales and company efficiency as working for the company that controls both operational efficiency and in the office with that being said employee performance is needed to value the usage of human resource. Employee performance is needed in order to maintain the productivity in state that business that requires. However, human has different characteristic and also psychological different that, a treatment toward human has a separated differ compares on the

care of material. Lack of care and mistreatment could lead into ineffective capability on pursuing good employee performance.

To manage and achieving the company, a leader is needed as the person to bring the human resource as improving the employee performance. However, tend of the low employee performance could be resulted by the leadership that company brought to maintain the goal which resulted on concerning dedication from the employee toward accomplishing their job and excelling on their job quality and quantity. According to Rahma Indah Yunita (2018) “If the leader wants to achieve his goals effectively, then he must be able to work together with his subordinates. One important role of a leader in a company is to increase the work effectiveness of employees”. A leader must be able to keep motivating and encouraging its employees to fulfill the employee satisfaction as to improve the employee motivation of work as it goes. The treatment could consist action such as supporting the activity of its employee directly on indirect as to improve the company quality and quantity of the process. A leader must be able to wise enough on allocating their human power on the right places.

The result of bad employee performance will be resulting low quality work result which is not efficient result as the organization wants. Analyzing the working environment in J&T Aceh Besar, the authors find such problems which as interviewing the employees of the company a lot of resignation from the employee, rough treatment by the superiors, job overload, missing items, and employee misbehave on the company. In this current research, author has found

more interest regarding the leadership influence toward the employee performance in the J&T Aceh Besar (J&T Aceh Besar)

## **1.2 Problem Limitation**

In order to fulfill the research, the author made the research that being held in J&T Aceh Besar as the company in charge with J&T Aceh Besar with the focus on the main office that is located in 2nd floor in their J&T Gateway in Medan- Banda Aceh. St, Meunasah Manyang Pagar Air Aceh Besar. The main office consists of 67 workers that in charge of the back-office duty. In the dependent variable, the indicator for employee performance are job results, attitude, initiative, reliability, attendance, responsibility, and knowledge of work. For the independent variable, leadership will be researching on indicator such as inspirational motivation, integrity, innovation, impression management, individual consideration, and intellectual stimulation.

## **1.3 Problem Formulation**

The problem that has been found by author by analyzing J&T Aceh Besar are:

1. Is there any influence of leadership in J&T Aceh Besar at Aceh Besar?
2. How well does employee performance performs in J&T Aceh Besar at Aceh Besar?
3. Is there any effect between the influence of leadership toward employee performance in J&T Aceh Besar At Aceh Besar?\
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## **1.4 Objective of The Research**

The author objectives of research are:

1. Analyzing the leadership quality, style and type that has been implemented in J&T Aceh Besar at Aceh Besar
2. Analyzing the Employee Performance in J&T Aceh Besar at Aceh Besar
3. Analyzing the effect of leadership and toward employee performance in J&T Aceh Besar at Aceh Besar

## **1.5 Benefit of Research**

### **1.5.1 Theoretical Benefit**

The benefit which helps to shows the strength the relation between leadership quality by looking up to the employee performance which helps to prove the theory which could become an information that could be used for future benefit information for researcher and people as the prove of real-life scenario which being held in J&T Aceh Besar

### **1.5.2 Practical Benefit**

The research which expected to help J&T Aceh Besar as a reference for additional information and helping for the company decision making that has the purpose to help the company on analyzing the employee performance by viewing the leadership impact on which to improve the capability of J&T Aceh Besar on achieveing their vision and mission of its company.