

CHAPTER I

INTRODUCTION

1.1 Background Of Study

In this covid-19 situation, many people choose to online which causes some companies to profit from the tremendous demand, for example, profit companies such as short distance online couriers, and associated city shipping companies, but indeed at high demand, if the company is not able to provide an acceptable profit to the client, the customer will switch to another company that provides a better profit.

According to (Bauer, 2016 as cited in Dawn Strait, 2020), leadership is approximately looking for unused suppositions, back, and understanding issues. Bauer says there is a contrast making a difference somebody reach an objective and telling them every step to require toward the goal. As a leader, one still must extend their information and learn modern abilities. Included in building administration is the capacity of finding unused techniques, great communication, inquiring profitable questions, and regarding others.

PT. Menara Abadi Persada is a company engaged in exterior and interior trading. As a manufacturing company that has developed sufficiently, the company is still experiencing a decline in performance, as shown in the following table.

Table 1.1
Sales Data PT. Menara Abadi Persada
2018-2020

Month/Year	Target 2018 (in Billions)	Sales at 2018 (in Billions)	%	Target 2019 (in Billions)	Sales at 2019 (in Billions)	%	Target 2020 (in Billions)	Sales at 2020 (in Billions)	%
January	2,000	2,150	107.50%	2,000	1,950	97.50%	2,200	1,850	84.09%
February	2,000	1,950	97.50%	2,000	2,353	117.65%	2,200	1,653	75.14%
March	2,000	1,820	91.00%	2,000	1,853	92.65%	2,200	1,000	45.45%
April	2,000	1,750	87.50%	2,000	1,720	86.00%	2,200	1,000	45.45%
May	2,000	1,950	97.50%	2,000	1,650	82.50%	2,200	1,035	47.05%
June	2,000	1,880	94.00%	2,000	1,680	84.00%	2,200	1,280	58.18%
July	2,000	1,820	91.00%	2,000	1,620	81.00%	2,200	1,610	73.18%
August	2,000	1,820	91.00%	2,000	1,720	86.00%	2,200	1,420	64.55%
September	2,000	1,720	86.00%	2,000	1,620	81.00%	2,200	1,520	69.09%
October	2,000	1,920	96.00%	2,000	1,620	81.00%	2,200	1,520	69.09%
November	2,000	1,820	91.00%	2,000	1,720	86.00%	2,200	1,520	69.09%
December	2,000	1,650	82.50%	2,000	1,550	77.50%	2,200	1,550	70.45%

Source: PT. Menara Abadi Persada, 2018-2020

From the sales data for 2018 to 2020, it can see that the number of sales was only able to exceed the target in a few months at the beginning of the year, such as in January 2018 and February 2019. The decline in sales that occurs shows that there is a decrease in employee performance in the company.

On the problems that cause a decrease in performance, one of which is transactional leadership. In transactional leadership implemented, the leadership always applies a risk and reward system to employees in carrying out work.

The following is data on employee work violations.

Table 1.2
Work Violation of PT. Menara Abadi Persada
2018-2020

Month/Year	Work Violation/Year			Problems
	2018	2019	2020	Work Violation
January	5	6	5	<ol style="list-style-type: none"> 1. Employees are absent without news, and handicraft money received for 1 week is completely forfeited. 2. Some employees deliberately postpone work time so that they are not given overtime pay. 3. Employees who come to work late and receive a salary payroll deduction of 5000 rupiah per 5 minutes of delay. 4. Employees who are absent without news during the 3-day deadline will receive a 30% pay cut. 5. Sales employees who have not been able to achieve at least 80% of sales will only get 50% of the value of the sales incentives set
February	6	3	5	
March	3	-	2	
April	5	-	3	
May	-	1	2	
June	-	-	3	
July	6	5	-	
August	3	-	2	
September	2	2	3	
October	5	-	4	
November	3	3	2	
December	5	5	-	

Source: PT. Menara Abadi Persada, 2018-2020

From data on employee work violations in 2018-2020, it can be seen that employees commit violations quite often in carrying out work. Transactional leadership carried out by the leadership shows that every work violation committed by employees will get sanctions in the form of salary cuts, which is certainly a burden in improving employee performance in carrying out work.

Table 1.3
Resignation Data of PT. Menara Abadi Persada
2018-2020

Year	Number of Employee	Number of Employee Resignations	Employee Position	Reason for Resignation
2018	76	35	1. Office (15 persons) 2. Driver (3 persons) 3. Builder (15 persons) 4. Driver guide (2 persons)	1. Not compatible with the company's salary cut system (15 persons) 2. Does not match the leader in the company (10 persons) 3. There is a conflict with the leader in the company (5 persons) 4. Complaints regarding compensation received. (3 persons) 5. Complaints about the work system applied by the leadership in the company (2 persons)
2019	76	31	1. Office (16 persons) 2. Driver (4 persons) 3. Builder (10 persons) 4. Driver guide (1 person)	1. Moved out of town. (2persons) 2. Got a new job (2persons) 3. Conflict with coworkers (11 persons) 4. Complaints about the work system applied by the leader in the company (16 persons)
2020	76	32	1. Office (10 persons) 2. Driver (1 person) 3. Builder (20 persons) 4. Driver guide (1 person)	1. Got a new job. (2persons) 2. There is a conflict with the leadership in the company. (10 persons) 3. Does not match the leadership in the company. (20persons)

Source: PT. Menara Abadi Persada, 2018-2020

From the data displayed above from 2018-2020, it can be seen that employees are not comfortable working in the company because employees are not comfortable with the leaders who work. The decline in employee performance can be seen from the resignation of employees. The dominant

reason for resignation in the company that occurred is about the incompatibility with the leader about salary cut and the conflict with the leader in the company. This shows that leaders in the company often make decisions without regard to the state of employees. Employees who resign also give reasons not suitable to the leadership in the company. This shows the transactional leadership style that is applied does not work well in its application to employees.

Kaloom stated that “Along with transformational leadership, transactional leadership has also gain importance in past few decades Transactional leadership is a subset of transformational leadership and both are related to organizational performance” (Kaloom et al, 2018)

Adriansyah stated that “The transactional leadership style allows leaders to motivate and influence subordinates by exchanging rewards with certain forms of performance. In a transaction, subordinates are promised to be rewarded if the subordinates can complete their tasks following the agreement that has been made together” (Adriansyah, 2020)

1.2 Problem Limitation

In this research, the writer makes problem limitation in order to be focused in the research problems. The four indicators of leadership are contingent reward, management by exception (active), management by exception (passive), Lassie-Faire and employees’ performance with four indicators such as quality/ quantity of work, teamwork and cooperation, job knowledge, communication.

1.3 Problem Formulation

The problem formulation is as follow:

1. How about transactional leadership at PT. Menara Abadi Persada Medan?
2. How about employee performance at PT. Menara Abadi Persada?
3. Does transactional leadership have an influence on employee performance in PT. Menara Abadi Persada?

1.4 Objective Of the Research

The objective of think about is to analyze the influence of transactional leadership on employees' performance in PT. Menara Abadi Persada in Medan which is found in Jl. Sutomo no 162-164 Medan. The objective in doing this investigate theme is to get it more around the significance between transactional leadership styles and employees' performance in fabricating industry.

1.5 Benefit Of the Research

1.5.1 Theoretical Benefit

This research will advantage essay is by giving data to other future journalists as a reference to get it more approximately the influence of transactional leadership on employee performance on manufacturing industry. In spite of that, the result of this ponder will more over donate data

for an organization to progress its authority to make profitable and more agreeable working environment.

1.5.2 Practical Benefit

This research will provide data to organization which is based on information and truth. Organization will know whether their administration connected is successful to upgrade employee performance and make mind fulness for future doings. Organization may more over know the positive and negative impacts in applying certain authority fashion. This inquire about will offer assistance organization as reference to move forward within the future and get it profoundly inside both parties.

