

CHAPTER I

INTRODUCTION

1.1. Background of the Study

Company cannot avoid competition in the business world, so if company wants to enter the business world, it must prepare itself to face other business competitors. Currently, competition in the business world is very tight, so company must face it in a healthy way and in accordance with existing regulations. The existence of competitors in a business is normal. Business competition is one of the major risks that business people must face. The interest in running a business today is so great that there are many who run businesses in the same field. Of course, this cannot be denied and prevented by those who have run a business, because creativity and innovation also continue to develop. Apart from having someone running a business in the same field as another, business competition can also be caused by several things. A company must have many employees, because in a company it is divided into several sections and fields or divisions. For this reason, these companies usually provide facilities to support employee welfare as a form of appreciation. Employee is an asset for a company that must be maintained properly, especially if the employee is loyal and achievers.

Tapioca flour is one of the most widely used ingredients for various kinds of culinary specialties in Indonesia. Tapioca is made from the essence of cassava starch which is also fertile and common in Indonesia. The process is to extract the starch after the cassava is peeled and grated and soaked in water. This starch is heavier in substance so that it will settle at the bottom of the water bath. After being

separated from the grated cassava, this starch is then made into flour. Tapioca is made from the extract of cassava starch which is also fertile and common in Indonesia. The process is to extract the starch after the cassava is peeled and grated and soaked in water. This starch is heavier in substance so that it will settle at the bottom of the water bath. After being separated from the grated cassava, this starch is then made into flour. In Indonesia, initially tapioca was processed in home industry. However, after growing, a tapioca factory started to be established, which runs the business of flour from cassava. Reportedly, a business process that produces this flour can generate a large turnover.

Company needs to retain productive employees so that company operations can continue to be carried out well. Employee turnover is a situation where an employee leaves the company or resigns, someone else replaces him. Employee turnover is a natural thing that occurs in companies, although the turnover can have a positive or negative effect on the company. The positive effect of employee turnover, for example: occurs when employees who leave are employees whose performance is not good enough so that the company can look for better employees to replace these employees.

The negative effect of employee turnover, for example occurs when employees who leave are employees who are performing well and the company has difficulty finding replacements. According to Tumanggor (2018), "It is very important for companies to reduce turnover rates, especially with the high competition in business."

In this research, the writer used PT.Sari Tani Sumatera as research object. This is because the company is a tapioca starch manufacture company which is a business sector with a fairly high development in Indonesia. Besides, this is a company which started with home industry and develop become manufacture company with larger number of employees. The writer would like to analyze the problems in the company which has problems that fits the research topic.

PT. Sari Tani Sumatera is a company engaged in the processing of cassava to produce tapioca starch, which was founded by an entrepreneur named Adenan Samin. PT. Sari Tani Sumatera uses a make-to-stock system where the tapioca flour products are produced in sack packages containing 50 kg and 25 kg. Most of the products are sent to the cities of Medan, Rantau Prapat, Pematang Siantar, Pekanbaru, Tanjung Balai and fulfilling local orders such as Kisaran and its surroundings.

The management of the business has been managed by Adenan Samin, until now. PT. Sari Tani Sumatera was founded in 1996 and is located on Jl. Belidaan No.668, Bantan, Dolok Masihul, Serdang Bedagai, and North Sumatera. In its management, Mr. Adenan Samin also helped by his wife, and his family to run the business. Mr. realize that in this globalization era, competition in the market will be tighter. In order to be superior in competition, the company must have better performance. To achieve better performance, the company must be able to take advantage of the existing resources, including maximizing the function of human resources. In general, human resources aim to improve company performance through the formation of reliable human resources.

The phenomenon in the company is there are frequent employee exchanges due to the large number of employees leaving, so the company must immediately find a replacement for the employee concerned so that vacancies do not occur. This problem will certainly cause losses for the company because frequent employee turnover can disrupt the company's operational processes. New employees may not necessarily be able to immediately master their work. In addition, as a company engaged in manufacture, it is very important for company to keep its employees working for a long time because these employees may already master the production process so that if the employees leave, it is feared that it will disrupt the production process.

The data below shows the number of employee turnover:

Table 1.1
Employee Turnover in Year 2020

Month	Number of Employee Leaving	Number of New Employee	Remaining Employees
January	2	5	159
February	3	3	159
March	3	1	157
April	5	3	155
May	9	3	149
June	6	2	145
July	2	5	148
August	1	2	149
September	3	3	149
October	4	3	148
November	5	4	147
December	6	4	145
Total	49	38	

Source: PT.Sari Tani Sumatera, 2020

Based on the above table, it can be seen that the total of employee leave is bigger than the total of new employee. This problem can cause imbalance in the company's operational processes. The number of new employees who enter to

replace the old employees' jobs is less so that there will be several jobs handled by one person. If the employee is unable to complete his job properly, it can cause work errors or neglected work. This condition is certainly not good for the company. The recruitment process requires time and accuracy in selecting employees, in addition there is competition to find employees who have skills that match the company's needs.

Based on preliminary interviews with the human resource department, the writer can summarize some of the reasons why the employees leave the company, which areas follow:

Table 1.2
Reasons Employees Leave the Company

Month	Amount	Reasons
January	2	<ul style="list-style-type: none"> - Too many workload - Often work overtime
February	3	<ul style="list-style-type: none"> - Not satisfied with the salary - Want to find another opportunity - Too many workload
March	3	<ul style="list-style-type: none"> - Too many workload - Other reasons related to family problems - Often work overtime
April	5	<ul style="list-style-type: none"> - 2 persons: often work overtime - 2 persons: don't have good relationship with co-workers - Cannot work together with the leaders
May	9	<ul style="list-style-type: none"> - 3 persons: often work overtime - 2 persons: want to fine another opportunity - 2 persons: other reasons related to family problems - To many workload - Work stress
June	6	<ul style="list-style-type: none"> - 2 persons: often work overtime - 2 persons: don't have good relationship with co-workers - 2 persons: other reasons related to family problems
July	2	<ul style="list-style-type: none"> - Often work overtime - Too many workload
August	1	<ul style="list-style-type: none"> - Other reasons related to family problems
September	3	<ul style="list-style-type: none"> - 2 persons: other reasons related to family problem

Month	Amount	Reasons
		– Conflict with co-workers
October	4	– 2 persons: other reasons related to family problems – 2 persons: not satisfied with salary
November	5	– 2 persons: other reasons related to family problems – 2 persons: not satisfied with salary – Often work overtime
December	6	– 2 persons: often workovertime – 4 persons: other reasons related to family problems
Total	49	

Source: PT.Sari Tani Sumatera, 2020

One of the variables that can cause turnover intention is work life conflict. Research done by Afsar and Rehman (2017) stated that work life conflict has effect on turnover intention. Based on the above table, it can be seen that most employees often working overtime causing they don't have much time for family. Besides, the effects of mood and stress experienced in the work environment also make individuals not focus on completing the demands of their role in the family environment. In addition, individual career growth in work will cause individuals to increase their commitment to meet job demands so that family demands are not fulfilled optimally.

Other work life conflict occurs when there is a mismatch between one role and another (inter-role conflict) where there are different pressures between roles in the family and at work. This problem occurs when the time needed to carry out one demand (family or work) can reduce the time to carry out other demands (family or work). For example, when there is a meeting of parents at school at the same time as a meeting in the office, causing conflict, workers who are busy working are late picking up their children. The existence of negative psychological

pressure causes a person to tend to spend more time and ability in one role so that he cannot satisfy other roles. Work life conflict also occurs when there is a mismatch between the behavior and what the two parties want (family or work). For example, aggressive, confrontational, assertive behavior that is needed at work is not in accordance with what is needed in the family where it emphasizes warmth, understanding, mutual affection and love.

Based on description above, the writer want to conduct the research with title **“The Effect of Work Life Conflict to Turnover Intention at PT.Sari Tani Sumatera.”**

1.2. Problem Limitation

Work-life conflict is a form of inter-role conflict in oneself which the role came from the work and family which are incompatible in oneself. Most employees in the company often working overtime causing they don't have much time for family and caused work life conflict. Employee turnover intention is a desire to resign from an organization permanently. There are frequent employee exchanges due to the large number of employees leaving in the company. The research used associative quantitative analysis method. The research data are analyzed by simple linear regression.

1.3. Problem Formulation

The problems formulation in this research are as follow:

1. How is the work life conflict at PT.Sari Tani Sumatera?

2. How is the turnover intention at PT.Sari Tani Sumatera?
3. Does the work life conflict have effect to turnover intention at PT.Sari Tani Sumatera?

1.4. Objective of Research

Objectives of research are as follow:

1. To know and analyze the work life conflict at PT.Sari Tani Sumatera.
2. To know and analyze the turnover intention at PT.Sari Tani Sumatera
3. To know and analyze the effect of work life conflict to turnover intention at PT.Sari Tani Sumatera.

1.5. Benefit of the Research

1.5.1. Theoretical Benefit

Theoretically, this research can be used as additional knowledge to benefit the theory about human resource management, especially about work life conflict and its effect to turnover intention.

1.5.2. Practical Benefit

Some practical benefit from this research are as follow:

1. For the writer

This research will benefit the writer as additional knowledge about work life conflict and its effect to turnover intention.

2. For the company

This research will benefit the company as reference in reducing turnover intention.

3. For other researchers

This research can be used as references.

