

# CHAPTER I

## INTRODUCTION

### 1.1. Background of the Study

Entering the era of free trade, there has now been a shift in customer-oriented marketing strategies. Customer-oriented marketing strategy requires companies to understand and fulfill both behavior and customer needs to achieve customer satisfaction. Customer satisfaction is very much considered by the company because it will have an impact on sales performance. Satisfied customers will repurchase, and they will tell others about the good experiences of the product. So the company must pay more attention to the service and performance of its employees, and monitor how the service processes are carried out by employees.

The main problem that will always be faced in the era of business competition today and in the future is building and operating a business organization that can always respond to the needs of consumers / customers. The responses required include innovation, speed of decision making, leading the industry by price or value, and maintaining effective relationships with suppliers and sellers to create value for consumers. To support the argument from the value chain, research shows that employee attitudes have a significant relationship with consumer attitudes. The fulcrum of HR activities should be on the value chain and the focus on activities between business entities should be reduced, and this method has given the best results for the company. Professional HR emphasizes more on

HR activities to support the company. Companies must focus more on customers in order to remain loyal to our company, and human resources that focus on activities between the company and suppliers as well as customers outside the company. Company leaders and HR professionals should learn to make business organizations able to function and carry out activities in accordance with the value chain and build a network for customers (Rahman, 2018).

Performance is an activity of improvement in accordance with the responsibility for the results as expected. The correct performance can be seen and assessed from the results obtained, in accordance with organizational standards. Every organization needs resources to achieve organizational goals. These resources include natural resources, financial resources, science and technology resources, and human resources. Among all the resources that have been mentioned, the most important resource is human resources (Ilmi, 2017).

Factors that affect employee performance, namely personal / individual factors, leadership factors, team factors, system factors, and contextual factors. Where on personal / individual factors there is motivation, on leadership factors there is leadership style and on system factors there is organizational culture. Each of these factors has a very important role in efforts to improve employee performance in a company.

Organizational culture becomes a guide for every element of the organization of a company to shape behavior and behavior in accordance with the company's vision and mission which ultimately results in disciplined resources, has high integrity, works with full responsibility, and has quality intellectually and with

soft skills. The purpose of implementing organizational culture is that all individuals in the company or organization comply with and are guided by the belief value system and norms that apply in a company (Krisnaldy, 2019).

The other factors that influence performance are the leadership style. According to Robbins (2016), leadership style is a way that someone uses to influence groups towards achieving goals. In this case leadership style is needed in running a company and leadership style in a company more or less influences the comfort of employees in working at the company. In the management process that takes place in a company, it takes the role of a leader to accommodate and provide direction and instructions for a company to run well. Leaders must be able to understand the abilities and skills of each of their employees as well as personal approaches are seen as important for a leader so that employees feel they are part of the company. The right leadership style is considered capable of giving a positive influence on employees in improving their performance. The attitude of a leader in running the wheels of leadership in a company must be appropriate for employees as subordinates to feel comfortable when carrying out their work.

Motivation is a psychological process that generates and directs behavior towards goal achievement or goal directed behavior. Motivation is long-term, further inspiration is given to motivational subordinates by believing they accept responsibility for all work. For motivated subordinates it is necessary to find what motivates them and do whatever can help them. Motivated individuals are essential to supply the organization with new initiatives that are critical in a competitive world (Wibowo, 2016).

Motivation can be interpreted as encouragement to employees to be more enthusiastic about doing work, this will have an impact on the results of their work. The work that is done in totality will give good work results.

Golden Communication is a Limited Liability Company located in Nagoya Hill Commercial Complex Blok R3 No. J36-J37 (head office) and has branch offices in almost all regions in Indonesia. This company is engaged in the telecommunications distributor (PT. Telkomsel) which was founded on December 22, 2002 by Mr. Eddy Soesanto. PT. Golden Communication as one of the companies that has been trusted to partner with Telkomsel since 2002 until now is still operating, one of which is in the North Sumatra Region. North Sumatra Region has 1 cluster, namely the Langsa Cluster. PT Golden Communication also has several branches spread outside Indonesia. Thus, this company can also be said to be an international business company. Telkomsel has also opened GraPARI in various countries outside Indonesia. This is done so that Telkomsel can expand its business network to become an international business company. In 2013, Telkomsel inaugurated GraPARI in Hong Kong as well as introduced the GraPARI mobile service. In 2015, Telkomsel also inaugurated GraPARI in Mecca, Saudi Arabia. In that same year, Telkomsel inaugurated GraPARI in Singapore

In addition to maintaining and improving the quality of its communication network so that old customers remain loyal to using Golden Communication products and more and more new customers are joining to use Golden Communication products, companies must also be able to manage customer service centers well. The customer service center is very important in a telecommunications

service company considering its role as the front line of the company that interacts directly with customers.

However, in practice, PT. Golden Communication, Langsa has not optimally carried out its duties and functions so that it has not provided maximum service to its customers. Related to the lack of services provided by PT Golden Communication, Langsa, in this study researcher will highlight aspects of employee performance. Coupled with information obtained by researchers that the performance of PT Golden Communication, Langsa from 2018 decreased.

In measuring the performance of PT Golden Communication employees, Langsa has its own guidelines in assessing the performance of its employees. The following are the conditions of employee performance at PT Golden Communication, Langsa as seen from the results of the performance appraisal from 2018 to 2020 can be seen in table 1.1 below:

**Table 1.1 Average Employee Performance Appraisal Results**

Work Behavior	2018			2019			2020		
	Weight (%)	Performance Value	Score	Weight (%)	Performance Value	Score	Weight (%)	Performance Value	Score
Discipline	10	70	7	10	60	6	10	55	5,5
Responsible	10	70	7	10	60	6	10	55	5,5
Cooperation	10	85	8,5	10	70	7	10	65	6,5
Leadership	10	75	7,5	10	60	6	10	55	5,5
<b>WORK RESULT</b>									
Work Quality	20	80	16	20	70	14	20	65	13
Quantity of Work	20	80	16	20	70	14	20	65	13
Job Skills	20	80	16	20	80	16	20	70	14
<b>TOTAL</b>	100		78	100		69	100		63

Source: PT Golden Communication, Langsa (2020)

From Table 1.1 it can be seen that the current condition of employee performance at PT Golden Communication, Langsa has decreased (discipline, responsible, cooperation, leadership, work quality, quantity of work, and job skills)

from 2018 to 2019 in all aspects from 78 to 69. This was followed by a decline from 2019 to 2020 from 69 to 63.

The results of the performance appraisal indicate that the performance at PT Golden Communication, Langsa is not in accordance with the regulations of PT Golden Communication, Langsa. Companies are required to always improve employee performance, so that the company can continue to grow. Because with the employee's performance in each employee, they are able to optimize their ability to do their job.

The decline in the value of organizational culture in the company is caused by the lack of concern for each other among employees. Some employees think that not all employees at the company are friendly. There are some who give a bad attitude and negative energy. In addition, supportive leadership in the company has weaknesses for employees. Some employees think that the leadership at the company does not evaluate employees in two directions, and the leadership is considered to have less good relations with employees. The motivation of employees at the company is also considered lacking. One of the reasons is that employees feel uncomfortable with a bad work environment. The lack of compensation provided by the company to each employee also causes the motivation of each employee to decrease. This can result in decreased performance of each employee in the company.

Based on the background explanation above, the authors are interested in conducting research related to the above problem, namely with the title

## **"The Influence of Organizational Culture, Leadership Style and Motivation on Employee Performance at PT Golden Communication, Langsa"**

### **1.2 Problem Limitation**

This research is limited to the problem of the influence of organizational culture, supportive leadership style (according to Mr. Tri Karya Ibu Sina, Supervisor Customer Sales Operation PT Golden Communication, Langsa), and motivation on employee performance at PT Golden Communication, Langsa.

Organizational culture indicators used are supportiveness, atmosphere, connectedness, and formalization (Sutrisno, 2018). Leadership style indicators used are employee evaluation, maintain relationships between employees, controlling work, developing a working atmosphere, and make a complaint (Nizam, 2019). Motivation indicators used are achievement, recognition, work it self, responsibility, advancement, policy and administration, quality supervisor, interpersonal relation, working condition, and wages (Yunita, 2016). Employee performance indicators used are quality of work, work quantity, punctuality of time, and level of attendance at work (Mayasari, 2016).

### **1.3 Problem Formulation**

Based on the above background above, the authors formulate the following problems:

- a. How is the Organizational Culture at PT Golden Communication, Langsa?

- b. How is the Leadership Style at PT Golden Communication, Langsa?
- c. How is the Motivation at PT Golden Communication, Langsa?
- d. How is the Employee Performance at PT Golden Communication, Langsa?
- e. Does organizational culture have influence on employee performance at PT Golden Communication, Langsa ?
- f. Does the leadership style have influence on the performance of employees at PT Golden Communication, Langsa ?
- g. Does motivation have influence on employee performance at PT Golden Communication, Langsa ?
- h. Do organizational culture, leadership style and motivation have simultaneous influence on employee performance at PT Golden Communication, Langsa ?

#### **1.4 Objectives of The Research**

Based on the formulation of the problem above, the objectives of this study are:

- a. To describe the Organizational Culture at PT Golden Communication, Langsa.
- b. To explain the Leadership Style implemented at PT Golden Communication, Langsa.
- c. To elaborate the Motivation at PT Golden Communication, Langsa.



- d. To evaluate the Employee Performance at PT Golden Communication, Langsa.
- e. To analyze whether the organizational culture influences employee performance at PT Golden Communication, Langsa.
- f. To discover whether the leadership style influences employee performance at PT Golden Communication, Langsa.
- g. To determine whether the motivation influences performance of employees on PT Golden Communication, Langsa.
- h. To investigate whether the organizational culture, leadership style and motivation simultaneously influence employee performance at PT Golden Communication, Langsa.

## **1.5 Research Benefits**

### **1.5.1 Theoretical Benefits**

The result of this research are expected to contribute ideas to existing theories, especially those relevant with organizational culture, leadership style, and motivation with demands for better employee performance.

### **1.5.2 Practical Benefits**

- a. For the Writer

The results of this research are expected to provide a lot of learning and application of science in the field of management, especially in the field of human resources.

b. For the Company

The results of this research are expected to be a good consideration related to organizational culture, leadership style and motivation in an effort to improve employee performance at PT Golden Communication, Langsa.

c. For other Researchers

The results of this research are expected to be a reference for further research as well as a consideration for organizations experiencing similar problems.

