

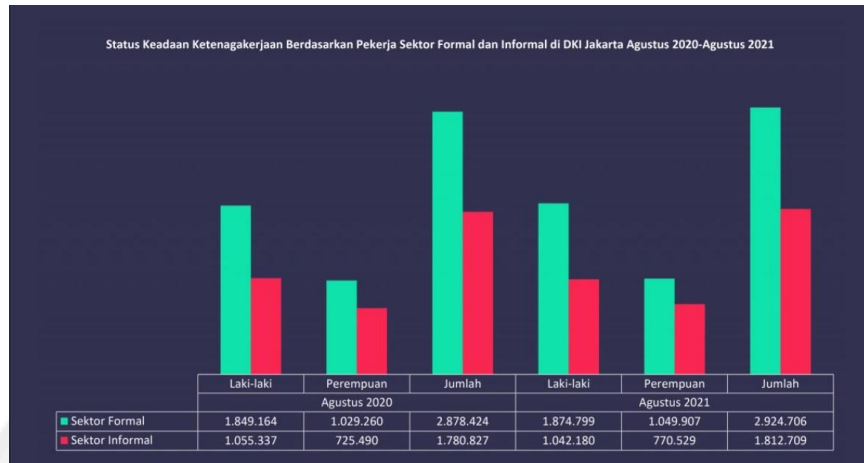
CHAPTER I

INTRODUCTION

1.1 Research Background

An Employee is an individual that contributes to the success of a company by doing tasks and assignments that are given by leaders to be done, and these individuals are beneficial for a company by improving the performance of the whole company. According to Hermina & Yosepha (2019) These individuals are working based on a contract that is formed with a company and they have responsibilities to be held responsible for their own actions that happens from tasks given until behavior, employees are known for individuals that need guidance from leaders to be able to work properly such as influence in performance, influence in directing, and encouraging to make these individuals aware of their positions in the company. Direct influence can result in empowerment in employee work performance such as strategic development, work enrichment, participative management, increase in motivation, innovative capabilities, and quality control (Karakoc & Yilmaz, 2009). These small contributions based on Lepak et al (2004) it trains employees to create their own value and goals in a contribution to the company which focuses on their skills and efficiency in a company, so these employees are what makes a company create the value and how the contributions make a difference in a competitive environment.

Figure 1.1 Employee working status 2021 in Indonesia



Source: Badan Pusat Statistik Provinsi DKI Jakarta (Shaid et al., 2021)

Based on figure 1.1 these are the status of the employees that are in the working sector in Indonesia, it's founded that only a total of 4.737.415 individuals that are working in both the formal and informal sectors this statistics are considered very low for the amount of individuals that are in Indonesia, According to Handayani (2021)one of the reason that many companies are not recruiting many individuals meanwhile they're reducing employees because it concerns the efficiency of the employees that are in the same working section which have similarities, and by the similarities it can be concluded by recruiting new individuals can't solve the problem easily because with same sections that need to be fixed it needs to be handled by a individual that have experience in dealing with the declining of work efficiency . The company PT Tirta Multi Bangunan on their employees it has been observed that the employees lack discipline and lack self-motivation, based on the observation and interview that has

been done through the supervisor, manager and HRD of the company that the employees without a leader present while observing the employee's task they will not be productive in working to get the tasks done, which the performance of the employees can affect the company from their work environment and motivation, overall job performance, their capability to innovate. Through the observation of the company, it can be concluded that this is a problem that must be fixed such as increasing the motivation and discipline of the employees thus making this the base of this research.

Strategy is one of the important part in every decision making whatever it may be and it's one of the crucial step for companies because without implementing strategies the business cannot move forward and it will risk losing consumers because the lack of strategy or the business strategy isn't updated so it will tend to slowly fail, strategic orientation which can influence the workers in a company that can create a great outcome for the long term. Strategic orientation based on Wiesen (2022) is an indication of the direction in which a business wants to or should go in the future and from the definition it's stated strategic orientation can determine the direction of a business going on to the future. Tseng et al (2019) claims by implementing a strategy that has an ongoing effect that can last for a long time the business direction of success/failure can be determined and also the component in strategic orientation first is about seeing the future business development and how does the business progress which means establishing a goal would be one of the first steps to take when going for strategic orientation.

Work motivation based on Riadi (2020) is an inner strength that can affect directly and influence a person to have the intensity and persistence of voluntary behavior in doing a task while implementing a good strategy that could determine an individual on their work motivation. So, Work motivation is an important aspect that is used in daily work activities because it also determines the work behavior of an individual on how he or she handles the situation greatly or poorly and this also influences many people such as co-workers. According to Da Costa Guterres et al (2020) motivation can influence many people and not just one individual especially when you're working in a company because if one individual's work motivation is high while bringing positive energy into the work area it could also affect the rest of the co-workers. This is also reflected on the level of effort that the employee is displaying throughout the company they also need to have persistence meaning they need to work with precise and fulfill the company's expectation that they have placed in the employee because by being persistence it helps build a strong mentality especially for work motivation (Pancasila et al., 2020)

The influence of work motivation can come from many areas such Internal or external factors for internal factors, based on Riadi (2020) it can affect from workload that has been given, personal improvements in the company, personal responsibility, acknowledgement, and achievement. From external factors it can be such as company policy, wage, relationship between coworkers, and work conditions, also there is also the employee's desire, needs and comfort inside the company can affect greatly into their motivation for work as the employee's desire such as acknowledgement from their

supervisor or their coworkers. Comfort is also one of the deciding factors in work motivation because it all depends too on the individual. Are they in a comfortable work environment that is suitable enough for them and is it flexible enough for them? These small details are considered important for the employees of a company. (Riyanto et al., 2021)

With According to Georgellis et al (2000) Business performance is a company's performance on its ability to achieve a goal that is expected. The small details of creating a good work environment affects business performance and business performance itself for a company is one of the important measurements on how the company is going so far such as their goals, their target for the month/year, their number of customers. Overall, it's also seen on how the business progresses over the course of time from their revenue, their increase in customers, their increase in employees and all of these are connected to how the business is improving because if the data shows a significant progress, then the business is making steady progress every time and that is a good sign of a successful business. Jayne & Dipboye claims (2004) Business performances are usually measured and it's for tracking progress such as when the company is implementing a new strategy then the business performance is tracked such as analysis in business operations to know is it progressing well or not, by making big business decision can also determine if the performance of the company is reliable for investors to analyze that the company is stable enough and progressing enough to be invested in. Keeping track of business performances is very important and one of the ways to keep track is using website traffic because today every company

are using websites to promote their services and it can also reach to many new customers and better which are investors because today many websites or social media are used by companies to promote through advertising for their product or services which later on can be beneficial (Day & Bullock, 2015). Based on Ashhari & Faizal (2018) One of the ways for keeping track of business performances is the cash flow of the company because by looking at the revenue that the company is making, we can evaluate if the company is successful enough in their business performance or not.

According to Bibi et al (2020) Innovative climate refers to the organization that fosters innovation, meaning in a company there is a section that focuses on innovative climate which is pursuing innovation, so it challenges employees' creative minds and increases the business performance also to come together to create something new such as new products, new advertisements, new designs and many more. The creativity of workers are tested overall such has how they make new designs for promotions and such which are testing their individual abilities. Also, it forces them to adapt to new changes because with the competition every year is getting more difficult, more drastics measures need to be made such as creativity and being innovative (Schneider, 1983). Being innovative it can be an advantage for both the individual and the company because with hidden talents that can help innovate the company it can also help the individuals to be more creative because creativity can also help in the long term to find new ideas in helping to improve the company better also it challenges the individual to brainstorm new ideas (Siegel & Kaemmerer, 1978)

The influence of job performance is the performance of an individual or a group in doing their duties that are met to the company's standards. According to Yozgat et al (2013) The job performance is seen as an overall performance done by the workers of the company because they are considered as the assets of a company and maintaining good relations with these individuals can achieve better results, doing so it challenges individuals to be creative to create results that contribute to their performance. Also, by displaying a good work environment such as work ethics, communication between coworkers and supervisors, interpersonal skills and these are elements in building up a good job performance (Stromberg et al., 2017). For the company, responsibilities that are met by the workers can also be very important because job performance also seeks responsibilities of the employees and evaluating their activities inside the company and developing that psychological responsibility inside their behavior (Bashir et al., 2020).

This study also addresses the gap in the previous study which focuses on the performance of employees in the production sector of automobile spare parts such as their innovation and competition capabilities are tested and not only that but strategic decisions, and the motivation of employees must be noticed within the organization for the organizations to be successful. Based on the previous study this research focuses on the performance of all the variables from strategic orientation, work motivation, business performance, innovative climate and job performance and by replicating employees as the main subject of the study based on their performances working in companies and how they contribute for the company's success.

1.2 Research Problem

Based on the previous research which is about the effects of strategic orientation and motivation on performance and innovation in the production sector of automobile spare parts and from the study it focuses on how strategies and motivation can affect the performance and innovation for the workers in being more creative for creating the automobile spare parts, and for this study is about focusing on the PT Tirta Multi Bangunan employees on their work motivation, the business performance, innovative climate and their job performance from the changes in the strategic orientation and how does it affect the employees in their overall performance in the company.

1. Does Strategic Orientation has a positive effect on Work Motivation on employees of PT Tirta Multi Bangunan?
2. Does Strategic Orientation has a positive effect on Business Performance on employees of PT Tirta Multi Bangunan?
3. Does Strategic Orientation has a positive effect on Innovative Climate on employees of PT Tirta Multi Bangunan?
4. Does Strategic Orientation has a positive effect on Job Performance on employees of PT Tirta Multi Bangunan?
5. Does Work Motivation has a positive effect on Business Performance on employees of PT Tirta Multi Bangunan?

6. Does Work Motivation has a positive effect on Innovative Climate on employees of PT Tirta Multi Bangunan?
7. Does Work Motivation has a positive effect on Job Performance on employees of PT Tirta Multi Bangunan?
8. Does the relationship between Strategic Orientation with Work Motivation as a mediating variable has a positive effect towards Business Performance on employees of PT Tirta Multi Bangunan?
9. Does the relationship between Strategic Orientation with Work Motivation as a mediating variable has a positive effect towards Innovative Climate on employees of PT Tirta Multi Bangunan?
10. Does the relationship between Strategic Orientation with Work Motivation as a mediating variable has a positive effect towards Job Performance on employees of PT Tirta Multi Bangunan?

1.3 Research Purpose

In this research the purpose is to conduct an analysis towards PT. Tirta Multi Bangunan on the effect of strategic orientation on work motivation, business performance, innovative climate, and job performance towards their employees. The purposes are

1. To examine whether Strategic Orientation positively effect on Work Motivation on employees of PT Tirta Multi Bangunan.
2. To examine whether Strategic Orientation has a positively effect on Business Performance on employees of PT Tirta Multi Bangunan.

3. To examine whether Strategic Orientation has a positively effect on Innovative Climate on employees of PT Tirta Multi Bangunan.
4. To examine whether Strategic Orientation has a positively effect on Job Performance on employees of PT Tirta Multi Bangunan.
5. To examine whether Work Motivation has a positively effect on Business Performance on employees of PT Tirta Multi Bangunan.
6. To examine whether Work Motivation has a positively effect on Innovative Climate on employees of PT Tirta Multi Bangunan.
7. To examine whether Work Motivation has a positively effect on Job Performance on employees of PT Tirta Multi Bangunan.
8. To examine whether the relationship between Strategic Orientation with Work Motivation as a mediating variable has a positive effect towards Business Performance on employees of PT Tirta Multi Bangunan
9. To examine whether the relationship between Strategic Orientation with Work Motivation as a mediating variable has a positive effect towards Innovative Climate on employees of PT Tirta Multi Bangunan
10. To examine whether the relationship between Strategic Orientation with Work Motivation as a mediating variable has a positive effect towards Job Performance on employees of PT Tirta Multi Bangunan

1.4 Significance of Study

This study is likely to provide variety of results and benefits or make a significant contribution both theoretically and practically

1.4.1 Theoretical

This research can serve as a starting point for further research into strategic orientation, work motivation, business performance, innovative climate and job performance of employees that are working for companies in Indonesia, for this research is strictly for the employees of PT Tirta Multi Bangunan.

1.4.2 Practical

This research is expected to be utilized and can be used as a guide to assist researchers for understanding the key elements that involves in moving a company forward based on strategies, their work motivation in a company, the business performance overall, the innovation that is constantly being develop in a company for their product and services, finally the overall job performances in a company from the employees to leaders. The author expects that this study would assist researchers to understand all the components that can help a company grow which can improve the ability of every individual by understanding what it takes to build a company and to know how every employee and leader contributes to the company.

1.5 Systematic Writing

This research is separated into multiple chapters, in order to locate the information needed and to demonstrate the work that is completed in a systematic order. The chapters are divided and arranged in the following order:

1. CHAPTER I Introduction covers the research background, research purposes, the significance of the study: theoretical and practical and systematic writings.
2. CHAPTER II Literature review consists of the consideration of all the necessary theories also as the foundation of the research that is conducted and to form an understanding in explaining all of the variables, hypotheses, as well as the theoretical framework of the research.
3. CHAPTER III Research methodology will showcase the methodology that's used in conducting the research in this study which includes research objectives, Unit of analysis, research type, research design, population and sample, data collecting method, the measurement of scales, the research instruments, data analysis and preliminary instrument results.
4. CHAPTER IV Research result and discussion, consist of the profile of respondents, consist of testing the research's validity and reliability as well as examining the results that have been conducted from the data sample.
5. CHAPTER V Conclusion and Suggestion, wraps up the study and provides conclusion and suggestion for any future researcher who wants to investigate this study further.