

CHAPTER I

INTRODUCTION

1.1. Background of Study

The retailing industry is a significant business which caters to a large demand from customers in the market, more so, it has a high demand for employees to be able to coordinate shelves in its respective places and good communication skills. The existing types of employees are frontline and backline employees, the frontline employees are those who have the most contact with customers and who caters to and addresses customer's issues and needs on-the-spot, on the other hand, backline employees have little to no contact with customers, this includes supervisors and managers (Zainab, 2018). Frontline employees who have the most contact with the customers are the ones who gives the first impressions to customers; hence, the attitudes of the frontline employees reflect the company's image whether it'd be positive or negative. The backline employees are those who are in charge of coordinating the marketing, financial, and human resource aspects of the company, which requires communication between divisions and frontline employees to ensure the company operates well.

Employee's job satisfaction is the employees' point of view towards their work, one's satisfaction differs from another due to different situations, thinking patterns, and their emotional state (Taheri, 2020).

Job Satisfaction is a vital subject to be researched as job satisfaction can increase skilled employees to be eager to share the knowledge that they have obtained throughout their working period to the newer employees. Through the increased flow of knowledge sharing between employees, employees' performances and productivity improves by providing opportunities for employees to develop their own ideas, explore shared information, and contributing to the company's objectives (Kucharska,2019). Additionally, research made by Karamanis (2019), suggest that the level of employee's job satisfaction can help companies to achieve their competitive advantage and maintain sustainability in which their satisfaction can be affected by employee rights, working conditions, co-workers' co-operation, as well as the respect that were shown to them. The employee's satisfaction with their job comes in levels of satisfaction through their own personal experience which can be reflected by the organization's rules and functions (Isac et. al., 2021).

The work environment are the tools and resources faced by the employees through the surroundings of the workplace which affects the method of work, and the arrangements for employees to work both individually or in groups (Edward & Purba, 2020). According to Fatmawati (2021), the work environment consists of physical and non-physical aspects which affects the implementation and completion of employees' work.

Based on previous research, a conducive and comfortable work environment will boost employees' work satisfaction which in turn helps achieve the company's goal (Putri, 2019). Hence, in achieving company's goals, the company's continuity will be ensured.

Employee training is a program which contains series of activities that were pre-planned to develop employees' skills as well as to update their knowledge and information on their workload (Mira, 2019). Employee training poses as one of the most important aspects for companies in achieving company's objectives. Moreover, employee training will provide a stronger financial position for the company, as a well-trained employees will be the experts in their field and can execute their work well (Elsafty, 2022). Although employee training helps companies to achieve its objectives and provide stronger financial position for the company, not many companies are willing to invest in employee training practices as it is more costly to train new employees who lacks experience, on the contrary, the lack of training for the employees causes a high turnover rate as employees are not satisfied with their work due to their insufficient knowledge of accomplishing their tasks, which leads to the employees leaving the company to go to another who equips them with better knowledge, and as quoted, "*You don't build a business – you build people – and people build the business*" (Elsafty, 2022).

PT Jaya Anugrah Sukses Abadi, also known as Brastagi Supermarket, is one of the largest retail stores in North Sumatra with several branches spread across Medan and one in Rantauprapat. PT Jaya Anugrah Sukses Abadi as one of the biggest retail stores can withstand increasing demands of goods whilst maintaining good service quality through its changes of frontline employees. This research will focus on the lower-level internal employees of PT Jaya Anugrah Sukses Abadi excluding external security and cleaning services who were outsourced. PT Jaya Anugrah Sukses Abadi branch of Jl. Gatot Subroto No.288 is chosen as the object of research as it is one of the largest branch as well as the first main branch of Brastagi Supermarket which shows a relatively high employee turnover.

Table 1.1 Number of Employees in PT Jaya Anugrah Sukses Abadi

Year	Number of Employees
2020	531
2021	318
2022	274

Source: PT Jaya Anugrah Sukses Abadi (2022)

As of 2020, PT Jaya Anugrah Sukses Abadi has 531 employees, but at the end of 2021 PT Jaya Anugrah Sukses Abadi experienced a 40% employee turnover rate which left 318 employees in early 2022, and more employees left during Q1-Q3 of 2022 (January-September) which makes a difference of 257 employees who are in the end of their contract or have resigned throughout 2020 to 2022 (PT Jaya Anugrah Sukses Abadi, 2022). Although the employee turnover of PT Jaya Anugrah Sukses Abadi has not exceeded 50% or half of the total employees, having 40% of employee turnover for a retail store that needs meticulous skills and

knowledge is an interesting outcome as employees in retail stores needs to have the skills to be able to communicate with customers and execute their tasks well.

As mentioned by Chijoke (2019), health is one of the indicators of human capital. The health of employees impacts employees' satisfaction table 1.2 shows the absenteeism during 2021 in PT Jaya Anugrah Sukses Abadi.

Table 1.2 Employee Absence in PT Jaya Anugrah Sukses Abadi (2021)

Category	Number of Employees
Unauthorized Absence (Alpha)	36
Permitted leave	6
Sick leave	22
TOTAL	64

Source: PT Jaya Anugrah Sukses Abadi (2022)

The total employee absence during 2021 in PT Jaya Anugrah Sukses Abadi is 64 employees, in which the highest number is the employees who has unauthorized absence, or also identified as 'Alpha Employees,' second is absence due to illness and third is permitted absence.

Based on the data provided by PT Jaya Anugrah Sukses Abadi, the decrease in the number of employees is due to ended contract or resignation, however there are none who initiated in extending their employment contract which implies that they are not satisfied enough with their assigned tasks due to the insufficient knowledge to accomplish their tasks. As mentioned by Elsafty (2022) the lack of training for the employees causes a high turnover rate as employees are not satisfied with their work due to their insufficient knowledge of accomplishing their tasks. Moreover, there are high number of Alpha employees which shows that the employees lack good communication skills. As quoted by Kaban, L. M. (2020),

good communication between employees, and employees and leader will increase job satisfaction.

Hence, the author's purpose of this research is to identify **“The Effect of Work Environment and Employee Training Toward Employee Job Satisfaction in PT Jaya Anugrah Sukses Abadi”**

1.2. Problem Limitations

Considering the limited time periods and resources available for the research, the effect of work environment and employee training towards their job satisfaction will be conducted in PT Jaya Anugrah Sukses Abadi and will be limited only to the employees that is located in the branch of Brastagi Supermarket *Jalan. Gatot Subroto, No. 288, Medan* and the internal lower-level employees, whilst excluding employees that are outsourced, such as cleaning service and external security. The research will be analysed using IBM SPSS version 25 and using multiple linear regression method.

1.3. Problem Formulation

PT Jaya Anugrah Sukses Abadi has a large number of employees who should abide its corporate rules to achieve its objectives, moreover the trainings that were provided to the employees are questioned for its effectiveness. The questions to the problems that arises are as follows:

1. Does the work environment affect the employees' job satisfaction in PT Jaya Anugrah Sukses Abadi?

2. Does the training affect the employees' job satisfaction in PT Jaya Anugrah Sukses Abadi?
3. Does the work environment and employee training simultaneously affect the employees' job satisfaction in PT Jaya Anugrah Sukses Abadi?

1.4. Objective of Research

The intention of conducting this study is to provide evidence of the linkage between the work environment and job satisfaction level, training programs and job satisfaction level, and work environment and training programs simultaneously linked with employees' job satisfaction. The aim of this research is to:

1. To identify the effect of work environment towards employees' job satisfaction in PT Jaya Anugrah Sukses Abadi.
2. To identify the effect of employee training towards employees' job satisfaction in PT Jaya Anugrah Sukses Abadi.
3. To identify the simultaneous effect of work environment and employee training programs on employees' job satisfaction.

1.5. Benefit of Research

This study is designed to understand the relationship between the work environment and employee training towards the level of employee job satisfaction. In addition to that, due the increasing numbers of employees who are integrated to the usage of technologies, the importance of technologies used for employee training will be explored.

1.5.1. Theoretical Benefit

Theoretically, this paper serves the purpose as a reference for future researchers who are in a similar field of study as well those researchers who have the same objective of researching more about job satisfaction in a workplace. Moreover, this paper can provide more knowledge on the linkage between work environment, employee training, and job satisfaction.

1.5.2. Practical Benefit

Practically, this paper benefits any old or new businesses to increase their awareness of the treatment towards their employees, contemplate the rules that were imposed, trainings that were developed, as well as monitoring the overall work environment of the company. Therefore, being more aware allows businesses to be more efficient and reduces costs from a lower employee turnover.