

CHAPTER 1

INTRODUCTION

1.1. Background

In today's competitive business environment companies are facing many challenges. Among those challenges are to achieve the right workforces and retaining them (Yazinski, 2009). At the same time, global markets are pressuring companies to have new insights and reduce cost, more importantly to work efficiently. All of these trends are pushing companies to manage their assets as effectively as possible—especially their human resource assets.

Indonesia has face this issue for years since the AEC program has started in 2014. There are abundant of foreign workers come to Indonesia and compete with the local workforces. Meanwhile in Indonesia many companies are still adopting the Indonesian traditional employment system, which give respect on seniority. This system makes employers unfairly treat their workers based on their ages and their dedication for the company. The companies due to the low understanding in managing the human resources unfairly treated many talented workers (Gallant, 2013). This make those talented workers were felt not appreciated and becoming low motivated. That is why it is very important for company to establish a well-developed and healthier work environment that can deliver higher level of motivation for the employees.

Motivation refers to those psychological processes that determine the onset, directing and maintaining voluntary actions oriented towards a goal (Mitchell, 1982). In other word it is something that will trigger someone in doing something better or even their best. In human resource management managing and enhancing employees work motivation has becoming a very

important issue especially in Indonesia. Indonesian workforces are lowly motivated due to the unfair job assessment, lack of education, and low compensation given by the local companies.

In company each worker is measured and how they contribute to the development of company is a function of his qualifications and motivation. A proper understanding in motivation will help a company to stimulate a better condition both for workers and the company. That is why managing employee's motivation could be a win-win solution for both employees and the company.

Job Satisfaction is an example of factor that can generate higher employee's work motivation. In the eyes of Wanous and Lawler (1972), job satisfaction is the effective direction towards desired results. Some researchers defined job satisfaction as the feelings of employees about their job (Cranny et al., 1992) indicated that it is all about reactions of the employees good or bad which are the results of comparison of actual and desired results. Job satisfaction can be an important indicator of how employees feel about their jobs and a predictor of work behaviors such as organizational citizenship, absenteeism and turnover. An understanding of the factors involved in job satisfaction is crucial to enhance the happiness of workers (Okpara et al., 2005).

According to Rue and Byars (2003), job satisfaction could be determined by: supervisor's concern, job design, compensation, working conditions, social relationship, perceived opportunities, and need of achievement. When the employees have reached a certain level of satisfaction in their job it will makes them wants to work harder as they can enjoy their work life and felt comfortable with their work environment. Once the employees felt relax and enjoy in what the do it will mentally affect their work performance and in the end it will generate better outcome

for the company as well. This is why examining and studying about the employee's job satisfaction is very crucial for the company sustainability in the long run.

Company X is one of the biggest cigarettes manufacturers in Indonesia. This company is based on Surabaya and has more than 20 offices across Indonesia. Company X is one example of a company that has been implementing modern human resource management system. It has been establishing a merit base system, which is able to evaluate each worker's job performance based on his or her individual competence. It also has a flexible work system that allows workers to transfer and explore more in different sections or functions. At the first glance Company X has been succeed in managing their human resources. It can be seen through its sustainability in maintaining their position as one of the biggest corporate in Indonesia. However as we take a closer look on each department the system may not as perfect as it seems.

The Finance department of Company X has the most complex flow within the organization. Due to its complexity the frequency of employees exchange and replacement is high in this department since the company adopt a cross functional system whereby the exchange of employees across departments could be happened quite often. This might cause some employees felt uncomfortable and since they have different need of adaptation time some employees could felt burden, stressed, and even high possibility of retiring. Especially for the new hires that had been join only for a while, the effect could be even worse.

Company X has been trying to enhance the workers welfare by giving rewards, incentives, and opportunities. They even develop a system that can assess each worker based on their work competency as they call it KPI system. They also try to maintain a comfortable work environment

where each of the employees were given the opportunity to engage and work as a team to make the bond between employees become closer.

However there is no such a perfect system. In reality, this system could make gaps between each employee. As every person in the organization was assessed individually therefore they becoming more competitive. Meanwhile a certain level of competition can cause relationship destruction among the employees. Having competitive workers is necessary, as it will cause a significant increase in their work motivation and performance. However sometimes it can cause a contradictive situation that generates an extreme competition, which later decreases the coworker support.

A proper study and understanding is the key in making and managing a balance system where the company can increase the employees work motivation without destructing their job satisfaction and the coworker support. This research will be focusing on how and in what extent does a company has to manage and maintain their coworker supports, job satisfaction, and their employee's work motivation in able to achieve a balance system that works best for the company. In this research the data will be collected through in-depth personal interview to identify the role of coworker support and job satisfaction to work motivation. The researcher will describe the result of the interview in Chapter 4.

1.2. Research Question

Related to the background above, the research question can be formulated as follows:

- a. What factors that can motivate employees in Disbursement Non Operations section of Company X?

- b. Does that factors have satisfied the employees and motivated them employees to work harder?

1.3. Objective of The Study

Related to the research questions above, the research aims to:

- a. To identify the factors that can motivate employees in Disbursement Non Operations section of Company X
- b. To identify whether that factos have satisfied the employees and motivated them to work harder or not.

1.4. Scope of The Study

This research will focus on the relation between job satisfaction and work motivation that have been implemented in Disbursement Non Ops Finance Department of Company X. This research is also limited to only identify and explore the role of job satisfaction on work motivation in certain group, which is Disbursement Non Ops of Company X.

1.5. Significance of The Study

The result of this research is useful because it can give the advantages such as:

1.5.1. Academic Benefit

This research can be used as a reference for other similar study or research related to the topic of the role job satisfaction and work motivation in any other companies or institutions.

1.5.2. Practical Benefit

The result of this study can give alternative suggestions for companies who need to enhance the employees working

motivation, especially Company X as the subject of this research. It also helps them to make improvement on their current system and their evaluation in making a better decision in the future.

1.6. Systematic of Writing

This research is divided into five chapters. The details of each chapter are shown below:

a. CHAPTER 1 : INTRODUCTION

This chapter describes the research topic and the aim of this research. This includes the background, research question, objective, scope of research, significance of research, and finally the chapter outline.

b. CHAPTER 2 : LITERATURE REVIEW

This chapter provides the brief description of previous study that is used and the theoretical framework that has been used throughout the study. Some concepts are used to analyze the results and findings of the study.

c. CHAPTER 3 : RESEARCH METHODS

This chapter provides a brief explanation on how the data was collected and how these data will be analyzed to achieve the objective of this research.

d. CHAPTER 4 :ANALYSIS AND DISCUSSION

This chapter begins with the description of the company and its working condition on the selected department. It explains the employees job description and describe the employee's relationship with its coworkers in general. This chapter will mostly discuss and describe the results and findings based on analysis of the data collected for this research.

e. CHAPTER 5 : CONCLUSION AND SUGGESTION

This chapter gives the conclusion about this research and intends to give some suggestion to improve the company's understanding about the role of job satisfaction toward employee's work motivation.