

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Object Overview**

PD Bank BKK Boyolali, is one of the banks owned by the local government in Boyolali Regency and Central Java province's government. It was founded by the government in order to help the public to strengthen venture investment especially micro, small and middle businesses (UMKM). And also function to muster funds from the community in the form of savings / deposit as well as funnel it back in credit, where the objective is to help the community increase their standard of living and their well being.

PT BPR BKK Boyolali which is addressed in Raya Boyolali Solo Street KM.1, Tegal, Wire, Mojosongo, Boyolali Regency, Central Java 57322

#### **1.1.1 Vision and Mission**

- Vision

is to make PT BPR BKK Boyolali healthy, reliable and independent.

- Mission

1. Change the work culture and carry out operational activities independently

2. Improving the quality of service to the community towards excellent service supported by adequate facilities and infrastructure as well as professional human resources.
3. Strive to become one of the Bank Leaders in the Boyolali District, to be able to increase contributions to owners with PAD deposits
4. Realizing profitable business independence by providing adequate welfare.

### 1.1.2 Organizational Structure

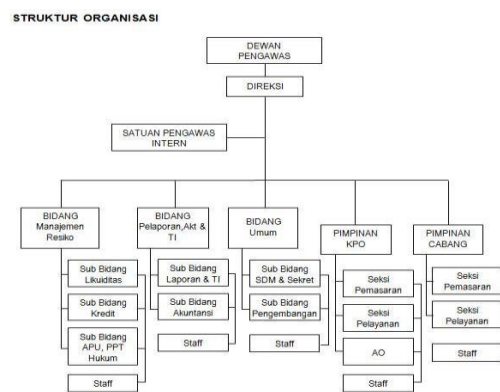


Figure 1. PT BPR BKK Boyolali Organization Structure

To easen the service to the public, BPR BKK Boyolali in 2022 will also open their stand at night on Pengging Square, Banyudono, Boyolali

### 1.2 Research Background

Human as a machine to move resources that exist in activity frameworks and routines from an organization. As we know in an organization, it consist of various type of individual that belong to various status, which the status are education, position and group, experience, gender, marriage status, spending

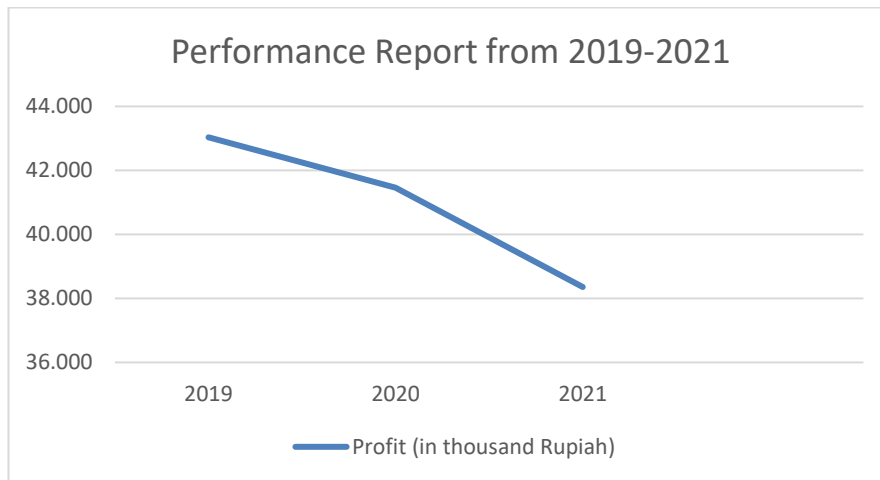
rate as well as level of age from each individuals, then employee satisfaction as a part of activity in an organization is important (Hasibuan, 2000)

According to Bastian (2005:175) organizational performance is a description of the level of achievement of the implementation of tasks in an organization, in realizing the goals, objectives, mission and vision of the organization.

Organizational performance is also influenced by member job satisfaction factors. Job satisfaction is an individual thing about how someone feels about their work (Robbins, 1998). Every individual has different levels of satisfaction.

Kreitner & Kinicki (2005) defines job satisfaction as effectiveness or emotional response to various aspects of work. So it can be concluded, job satisfaction is the feeling of an individual towards work, work situation, cooperation between the leadership and fellow leaders and fellow members in an organization.

Many studies have recently found that companies with higher employee satisfaction tend to perform better. The survey data deducted from ratings and reviews published on Glassdoor.com, a website where employees anonymously rate and review companies and their management, scholars found a significant correlation between overall employee satisfaction and corporate performance (Luo et al., 2016; Moniz, 2015)



*Figure 1. Performance from 2019 – 2021*

*Source : Performance Report PT BPR BKK Boyolali 2019-2021*

Based on the figure above, it is known that revenue in 2021 is rapidly decreasing. Which can be concluded that by the profit that is declining from the previous year, the performance of the organization is decreasing, by any means that the performance of the individual employee's is also declining.

Based on the author's initial survey with the Head of Division from PT BPR BKK Boyolali. PT BPR BKK consists of 1 Headquarters, 18 subsidiaries, 1 Mobile Bank. For the organizational performance, they follow with what is called Bank Business Plan where it is a written document that describes the bank's short-term and medium-term business activity plans, including plans to improve business performance as well as strategies to realize these plans in accordance with the targets and time set. If one of the subsidiaries is unable to meet the required targets, they'll be issued a memorandum. And each subsidiary has their own target based on their location and situation.

According to the Head of Division from PT BPR BKK Boyolali, there are two things that should be considered about employee's satisfaction, such as Mutation/Rotation of workforce and Paid Leave. For mutation if the performance of the subsidiary is not met the required amount, there will be employee mutation/rotation to increase their performance. For the exact number they cannot reveal it since the Head of Division briefly said that the mutation happened because of the RBB (Rencana Bisnis Bank/Bank Business Plan). And for paid leave it is allowed to have 12 days of paid leave with notice in a period of a year. And as the head division said, the turnover/rotation occurs every three months. There is also a bonus called Lunch Money, where if the employee arrives at the workplace on time, they'll get it. But if they come late, the lunch money is forfeited.

Based on almost similar previous research Cahyani, Sundari, and Dongoran (2020) researched the effect of organizational commitment and job satisfaction on employee performance (study on the Regional Drinking Water Company (PDAM) of Salatiga City. The results showed that both variables had a positive effect on employee performance.

Ayu Desi Indrawati's research (2021) on the effect of job satisfaction and work discipline on employee performance. The results of the study prove that job satisfaction has a positive and significant effect on employee performance.

Based on the background above, writers chose the title

# **“THE EFFECT OF JOB SATISFACTION ON EMPLOYEE PERFORMANCE IN PT BPR BKK BOYOLALI”**

## **1.3 Problem Statement**

Based on the background explained above, the writer formulating the problem as follows:

1. How is employees' job satisfaction in PT BPR BKK Boyolali?
2. How is the employees' performance in PT BPR BKK Boyolali?
3. How much is the effect of employees' job satisfaction on employees' performance in PT BPR BKK Boyolali?

## **1.4 Research Objectives**

The objectives of this research are:

1. To analyze the employees' job satisfaction in PT BPR BKK Boyolali
2. To analyze the employees' performance in PT BPR BKK Boyolali
3. To analyze the effect of job satisfaction on employees' performance in PT BPR BKK Boyolali

## **1.5 Benefit of Research**

### **1.5.1 Practical**

1. For Organizations

Through this research, it is hoped that it can provide consideration to the organization, especially regarding the effect of job satisfaction on

employee performance for the improvement and development of the organization under study.

## 2. For Employees

It is hoped that the results of this study can provide an overview and knowledge as well as more insight to employees in their work in achieving the expected performance from the supervisors and better their performance.

## 3. For Students

It is hoped that through this research students can directly see how the world of work in a company / organization is, and can be used as reference material for further research related to human resources.

### **1.5.2 Theoretical**

The results of this study are expected to be taken into consideration for carry out further research related to the implementation of the job satisfaction in the financial institutions like PT BPR BKK Boyolali

### **1.6 Writing Systematic**

The systematics of writing this thesis includes five chapters which will be presented, the first is the introduction, the second chapter is a literature review, the third chapter is research methods, the fourth chapter is research results and discussion, and the fifth chapter is closing.

CHAPTER I INTRODUCTION

This chapter contains the background of the problem, formulation of the problem, research objectives, benefits of research, and systematics of thesis writing.

CHAPTER II LITERATURE REVIEW

This chapter describes the effect of job satisfaction on employee performance, framework, previous research and hypotheses.

CHAPTER III RESEARCH METHODOLOGY

This chapter describes the types of research, operational definitions and measurement of variables, data and data sources, data collection methods, sampling design, and data analysis methods.

CHAPTER IV ANALYSIS RESULTS AND DISCUSSION

This chapter contains data descriptions, research instrument testing (consisting of validity test results and reliability test results), classical assumption tes (consisting of normality test results, multicollinearity test results and heteroscedasticity test results), hypothesis testing (consisting of multiple linear regression, the results of the T test and F test), as well as testing the coefficient of determination.

CHAPTER V CONCLUSION



This chapter contains the conclusions obtained from the discussions that have been carried out previously as well as suggestions to interested parties regarding the research results.

REFERENCES

APPENDIX

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