

CHAPTER I

INTRODUCTION

1.1. Background of Study

A Leadership role in a company is crucial in achieving goals of an organization or company. Various attempts are made to influence the leaders of the employees in order to carry out the work in accordance with the concept that has been determined, such as by giving praise, reward, motivate, and to put pressure on employees. Leadership is the process of influencing the activities of organized groups to achieve goals (Yukl, 2002). Leadership describes the relationship between the leader and the led, and how the leader directsthe led.

Leaders freely using the leadership style in creating a work atmosphere so far are able to move others. Free does not mean he can do anything as he wants, but he can understand situational employees. A selection of styles to lead a company can affect the performance of employees so that they can achieve the objectives of companies and organizations.

According to Heidjrachman and Husnan (2002, p.224), every leader can have different leadership styles between one another and not necessarily, a leadership style is better or worse than the other leadership styles. Therefore, leaders need to lead employees so that employees will love, respect, and of course they will have a strong commitment to carry out the tasks of a leader.

PT. Putri Kedaton has a female CEO and in general a female leader has a different leadership styles than the male leadership. The female leadership is more emphasized on properties such as mother, pet, seductress, and the iron maiden. These properties distinguish between the leadership of male and female (Kanter, 1977, p. 233-236).

Many female leaders in their efforts to gain experiences related to leadership, one of which is gender differences and gender inequalities. The gender difference is actually no problem as far as not causing a gender inequality. However, this can be a problem, if the gender difference triggers a variety of injustice, both men and women are victims of the system (Faqih, 2008). Inspiring or not, a new dilemma arises for a woman, and this can become a prolonged crisis affecting the commitment of employees.

In addition to leadership, salaries also affect the employee's commitment. The wages factor will form the initial commitment and responsibilities of employees in the organization that will ultimately lead to the commitment of the employees at the beginning of entering the world of work (Sopiah, 2008, p.163). Compensation becomes the most important reason to establish a commitment to the organization.

The purpose of the company for giving the best product for the employee of PT. Putri Kedaton is to protect and develop their commitment. Commitment is influenced by many factors, including leadership and compensation. These two variables affect the commitment to deliver an increase in the employee performance.

Organizational commitment is an important concern in many studies as a significant impact on work behaviors such as performance, job satisfaction, absenteeism and turnover. The commitment in the organization will make the workers give their best to the organization where he works. Van Scooter (2000) stated that workers with a high commitment to be more oriented to work. In addition, workers having a high organizational commitment is likely to be happy to help and can work together.

Employees who have a high involvement in the work and has no intention of leaving the company, then this is the basis to encourage high productivity. Supriyono (2006:112) revealed that the high employee commitment to the organization will affect the performance of employees.

Performance is a feedback from the company's benefits granted to employees. Rewards can also spur employees to be more active and productive. According to Flippo (2002), performance is an achievement or level of success achieved by an individual or organization in carrying out the work in a given period.

PT. Putri Kedaton is one of merchandise companies running its business focusing on the community & beauty. The company offers the best quality products and service in order gaining the company's image amongst the community. Moreover, PT. Putri Kedaton has a target "Putri Kedaton go international 2009" that needs to be achieved. That is why PT Putri Kedaton needs employees who are able to elaborate the best performance in its daily works.

In order to find factors that influence the performance of the owner of PT Putri Kedaton - Mrs. Wulan's employee, this study will focus on the influence of leadership, compensation, and commitment, which lead to several research questions: (1) What are factors that affect the performance of Mrs. Wulan's employees? (2) What is the type of leadership that Mrs. Wulan performs based on Kanter's leadership theory (the mother, the pet, the sex object, and the iron maiden)? (3) Is the current compensation for employees boost the employee performance? (4) How is the commitment of employees under the influence of the leadership and compensation? (5) Are the employees committed to deliver the best performance for the company?

From this background, the researcher thought that it was important to do a study after reviewing closely about PT. Putri Kedaton in terms of female leadership, compensation and commitment on its relationship to employee performance with the performance assessment system that can improve the performance of PT. Putri Kedaton.

Following those explanations above, this research discusses about female leadership, compensation, commitment, and employee performance in PT. Putri Kedaton, Yogyakarta. This study used three types of variables; (1) the independent variables (female leadership and compensation); (2) intervening variable (commitment); (3) Dependent variable (employee performance). The title of this study is: **The Analysis of the Influence of Female Leadership and**

Compensation towards Employee Performance with Commitment as an Intervening Variable.

1.2. Problem Identifications

The intentions and purposes of this research are namely to:

1. To determine the influence of female leadership towards commitment.
2. To determine the influence of compensation towards commitment.
3. To determine the influence of female leadership towards employee performance.
4. To determine the influence of compensation towards employee performance.
5. To determine the influence of commitment towards employee performance.
6. To determine the influence of female leadership towards employee performance through commitment simultaneously.
7. To determine the influence of compensation towards employee performance through commitment simultaneously.

1.3. Problem Formulations

Based on the background of the problems described above, the problem can be formulated as follows:

1. Is there any influence of female leadership towards commitment?
2. Is there any influence of compensation towards commitment?

3. Is there any influence of female leadership towards employee performance?
4. Is there any influence of compensation towards employee performance?
5. Is there any influence of commitment towards employee performance?
6. Is there any influence of female leadership towards employee performance through commitment simultaneously?
7. Is there any influence of compensation towards employee performance through commitment simultaneously?

1.4. Problem Limitations

The results of this study and the generalization of those results may be limited by the following factors or conditions:

1. The population was limited to staff in the company.
2. The results of the study are dependent on the willingness and ability of the respondents to accurately complete and return the survey to the researcher.
3. The conclusion of this research study would be limited and constrained to unique factors associated with this company. Consequently, the conclusion may not be the same as other companies.

1.5. Research Objectives

This research has the objectives as mentioned below:

1. To understand is there any influence of female leadership towards commitment.
2. To understand is there any influence of compensation towards commitment.
3. To understand is there any influence of female leadership towards employee performance.
4. To understand is there any influence of compensation towards employee performance.
5. To understand is there any influence of commitment towards employee performance.
6. To understand is there any influence of female leadership towards employee performance through commitment simultaneously.
7. To understand is there any influence of compensation towards employee performance through commitment simultaneously.

1.6. Research Contribution

The results are expected to have the following benefits:

1. For the researcher

This research is benefit to broaden the researcher's knowledge of the actual situation in the organization and to apply the knowledge acquired during the classes so that the the theories learned can be applied in real life.

2. For the company

The results can be used by the management to evaluate and to determine, whether the presence of female leadership, compensation, and commitment applied for is appropriate to increase the employee performance.

3. For Institutions

The results of this research can be beneficial as an additional reference for those who want to study or further investigate the development of human resources associated with the female leadership, compensation, and commitment.

1.7. Systematics of Writing

The thesis will be divided into five chapters in order to provide clarity and elaboration on the discussion of the relationship between independent variables and dependent variables.

Chapter I: INTRODUCTION

This chapter contains the problem uncovered by the researcher and provides the sample's background on the topic. The chapter will constitute an introduction to the whole thesis, the hypothesis, and the statement of the problem in order to present the basis of the study. Moreover, the chapter will also have a discussion on the scope of its study as well as the significance of the study to society in general and specific effects on the management of firms.

Chapter II: LITERATURE REVIEW

This chapter will be discussing the relevance of the study in the existing literature. It shall provide studies on effective female leadership, compensation, commitment, human resource management and performance management.

Chapter III: RESEARCH METHOD

This chapter describes the methods and procedures used in the study. The chapter will comprise of the presentation of the utilised techniques for data collection and research methodology. Similarly, it will also contain a discussion on the techniques used in data analysis as well as the tools used to acquire the data.

Chapter IV: DATA ANALYSIS AND DISCUSSION

This chapter describes an analysis on the tabulated data. After the tabulation has been done, the data are statistically treated in order to uncover the relationship of the variable involved in the study. With the data, the chapter seeks to address the statement of the problem noted in the first chapter.

Chapter V: CONCLUSIONS AND RECOMMENDATIONS

This chapter will comprise of three sections, the summary of the findings, the conclusions of the study, and the recommendations. With the three portions, the chapter will be able to address the verification of the hypothesis stated in the initial chapters of the study.