

# CHAPTER I

## INTRODUCTION

### 1.1 Background

Globalization is a reality and it has a direct and indirect impact on most aspects of business. The company increased the strategy to adapt in globalization era. To face the globalization, company needs people who have a good quality such as skill, knowledge, ability to work, creativity in order to achieve the goals of company. However, so many companies do not pay attention to their human resources. Whereas, human resources have an important role in a company, because everything related to human resources ultimately affect the output of the company. Therefore, in this fast growing market, companies should keep on watching their employee performance in order to maintain their quality.

Organization consists of many resources, and human resource is believed as one of the most important organizational resources. The human resources in each organizational level have their own specified planning. Hence, organizations should increase the job satisfaction in all level of the organization according to the human resources expectations to increase the organizational effectiveness (Bartuševičienė & Šakalytė, 2013). Since employee who reveal a higher satisfaction tends to present more effort in their job that then lead to a better performance (Rad & Yamohammadian, 2006)

Employee's job performance has been defined as work performance in terms of quantity and quality expected from each employee (Khan, 2010). Increasing competition makes the company realize of the importance of employee job performance to compete in the global market that will influence the company's performance and profitability. Effective management of job

performance is critical if the goals and objectives of the organization are achieved (Hettiararchchi & Jayarathna, 2014).

Job satisfaction is pleasurable emotional state of feeling that results from performance of work. While, job satisfaction means a pleasurable or positive emotional state resulting from the appraisal of one's job and job experiences (Simatwa, 2011). The happier the individual, the higher is level of job satisfaction. The existence of job dissatisfaction among employees can cause things that are not profitable for the company (Syafrizal, 2011). Attitudes toward work and organizational commitment will influences job satisfaction. It is assumed that positive attitude towards work and greater organizational commitment increases job satisfaction and enhances performance of the individual.

Organizational commitment is the power of individual identification and involvement in a particular organization. Because of this, employee commitment can be an important instrument for improving organizational performance (Khan, 2010). Organizational commitment has become an issue of great importance to be dealt with, because it helps minimize turning up late to work, absenteeism, and leaving.

Attitudes of employees have a direct impact on individual and organizational productivity, absenteeism, commitment, employee's turnover rate and withdrawal behavior. According to Hettiararchchi & Jayarathna (2014) attitudes are reasonably good predictors of behaviors. They give clues to the intentions of employee behavior to act in a certain way. Positive work attitudes help to predict constructive behavior and negative work attitudes help to predict undesirable behaviors. In addition, attitude is a mindset to act in a certain way due to both an individual's experience and temperament. How people behave at work often depends on how it feels like to

be there. Hence, making sense of how people behave depends on understanding their work attitudes.

Hotels are service businesses that cannot be separated from human relations so it would be better if this company pay attention to its employees through job satisfaction and its performance, develop, and improve the quality of employee performance that is related with job satisfaction and organizational commitment. In this company the activities of employees are expected to play a role in realizing the company's goals and able to overcome all the problems that occur. Nevertheless, some weaknesses are still shown by employees, where they are less motivated with their job. Some are not on time when entering the office, postponing office work, less discipline and leaving.

From the description above, we can conclude that job performance of hotel is very crucial in providing service and maintaining their competitive advantage. That is why the company should be aware to some factors that are predicted to influence the satisfaction of the employees. This research will discuss the effect of organizational commitment and attitude towards work on employee's job performance through job satisfaction.

## **1.2 Problem Identification**

The intentions of this research are:

1. To determine if there is any effect of organizational commitment to job satisfaction.
2. To determine if there is any effect of organizational commitment to employee's job performance.
3. To determine if there is any effect of attitude towards work to job satisfaction.

4. To determine if there is any effect of attitude towards work to employee's job performance
5. To determine if there is any effect of job satisfaction to employee's job performance.

### **1.3 Problem Formulation**

In accordance with the background of the study described above, the problems that will be discussed in this study are as follows:

1. Is there any effect of organizational commitment to job satisfaction?
2. Is there any effect of organizational commitment to employee's job performance?
3. Is there any effect of attitude towards work to job satisfaction?
4. Is there any effect of attitude towards work to employee's job performance?
5. Is there any effect of job satisfaction to employee's job performance?

### **1.4 Problem Limitation**

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

1. The population was limited to the employee in the three companies.
2. The result of the study depends 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 the unique factors within the company. Therefore, the conclusion may not be the same as other companies.

## **1.5 Research Objectives**

In accordance with the problem formulations, the aims of this research are:

1. To identify the effect of organizational commitment to job satisfaction.
2. To identify the effect of organizational commitment to employee's job performance.
3. To identify the effect of attitude towards work to job satisfaction.
4. To identify the effect of attitude towards work to employee's job performance.
5. To identify the effect of job satisfaction to employee's job performance.

## **1.6 Research Contribution**

The results of this study are expected to give these following benefits:

### **1. Company**

The results can be used by the management as a consideration to evaluate and to determine a suitable practices especially organizational commitment, attitude towards work, and employee's job performance that can improve job satisfaction.

### **2. Employee**

This study is expected to help the employee in gaining information and ensuring whether the HRM practice especially organizational commitment, attitude towards work, and employee's job performance which given by the company is sufficient in increasing their job satisfaction.

### **3. Next Researcher / Further Research**

This study may assist the next researcher in providing the reference and knowledge about the magnitude of the relationship between organizational commitment and attitude towards work on employee's job performance through job satisfaction.

## **1.7 Systematic of Writing**

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

### Chapter I: INTRODUCTION

This chapter contains the problem uncovered by the researcher and provides sample background on the topic. The chapter will constitute an introduction to the whole thesis, the hypotheses, 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 discussed the relevance of the study in the previous literature. It will provide studies on organizational commitment and attitude towards work on employee's job performance through job satisfaction.

### Chapter III: RESEARCH METHOD

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

#### Chapter IV: DATA ANALYSIS AND DISCUSSION

This chapter describes an analysis on the tabulated data. After the tabulation is done, the data are statistically treated in order to uncover the relationship of the variables involved in the study. In this chapter, the data will be calculated to obtain results for answering the problem statements stated in the first chapter.

#### Chapter V: CONCLUSION AND RECOMMENDATIONS

This chapter will comprehend of three sections, the summary of the findings, the conclusions of the study, and the recommendations. With those three portions, this chapter will be able to address the verification of the hypotheses stated in the chapter II of this research.

