

CHAPTER I

INTRODUCTION

A. Background of Research

In modern society, there are plenty of companies with a variety of fields in the company. In order for the company to grow, the company needs to have a good leader that can lead the company and lead the employees to achieve the vision and mission of the company. Leaders play essential role in accomplishment of goals and boost employee's performance

(Layonardo, Adiwijyam, 2016, P.42).

Different leadership styles brings different work performance. In general, leadership is the main factor of influencing an employee's work performance. Different leadership styles is different in each country. Banks in each country has their own effective leadership styles that performance positively to employees work performance. In general, transformational leadership and individual oriented leadership is the most effective in effecting the work performance of employees, such as the employees in Turkish and Pakistani Banks. (Cetin et al., 2012,P.4).

In Finland the leader uses transformational leadership style. The leader is ambitious and strict. The Finns employees says that the Finns leader should be more present and more interactive with the employees. The Finns leader is mostly giving freedom to the employees, which makes the employees feel that the leader does not care to the employees. The leader should

communicate more and use more time interaction with the employees, so that the employees feel more involved with the leader (Makitalo, 2017,P.5).

The leader in meetings doesn't give a chance to the employees to speak up and give their point of view or opinion. The leader cannot focus on the employees, in developing the employees because it has too much work task. In France, the french leader gives a distance with the employees. The France leader focuses on getting the work done and is less supportive and encouraging the employees to work better (Makitalo, 2017,P.2).

While in Indonesia, the leader in Bank BJB Summersari, 50% of employees say that the leader rushes the employees to achieve the target. This lowers the employees work performance. (Syariffudin, 2016,P.4)

In Bank BCA Syariah Malang, the leader is always trying to innovate and the innovation is not the same as the syariah standard. The employees are hard to adapt to syariah standard, because it has just changed from conventional bank to syariah bank. (Gayatri, 2018,P.6).

Discipline plays an important role in the work performance of employees. Discipline is the willingness of a person to obey the rules of the organization and the norms in which the employees come to work and goes home on time and does its task properly (Hasibuan, 2013,P.7). Discipline plays a role in achieving the goal of the organization. In general, in banks in Europe, such as in Germany, work discipline makes the employees be committed in meeting deadlines, finishing the task and meeting targets. The employees will learn from their mistakes and not to do that mistake again by having a discipline. While in Indonesia, in Bank BRI Pamulang, the employees are

not discipline in working. The absent rate is high and the employees don't finish their job or task according to the target (Astria, 2018,P.9). Bank Mandiri is a state bank. It has 500 employees in Bogor and in Bank Mandiri Juanda it has 150 employees. Every 6-8 months, there is a change of leadership. The leader will be rolled in the office in every 6-8 months. There are situations when employees match with the leader and there are situations when employees don't match with the leader. In the marketing department, the leader tells the employees to sell the products of the bank. Such as selling debit and credit cards, mortgage, etc. According to the interview result, the employees has to sell according to the monthly target. In doing the task, the employees are having a hard time to finish the task. From the table, it can be seen that the employees has to sell the products of the bank, reaching to Rp. 198.986.68. While the gap is Rp. 26.154.23. Which is 86, 86%. Which means that the employees hasn't accomplished of reaching the target up to 86, 86%. Because of this, the leader will give solution to the employees when the employees are having a difficulty in selling the product. But the solution is not the same as the reality in the field. When the employees cannot sell according to the target in each month after the leader makes a monthly performance appraisal, and it shows that there are some employees that cannot reach the target of selling the products, then the leader will threaten to fire the employee by the end of the year. This makes the employees become stress in working and effects the employee performance. Although the employees are already discipline in working.

Because of this, the writer wants to do a research with the title “The Influence of Leadership and Discipline on Employee Performance in PT. Bank Mandiri Bogor Branch”.

B. Identification of Problem

Based on the background of the problem and the description above, the identification of problem as follows:

1. Employees are having a difficulty in reaching the target.
2. The solution that the leader has given is not the same as the reality in the field which is still a problem for the employees.
3. The leader will threaten to fire the employees because it cannot reach the target which makes the performance of employees become low.

C. Formulation of Problem

Based on the background of the problem and the description above, the research questions in this study can be formulated as follows:

1. How does leadership influence to employee performance?
2. How does discipline influence to employee performance?
3. How does leadership and discipline influence to employee performance?

D. Research Objectives

According to Locke Spirduso and Siverman (2013), research purpose is to show a variety of questions of why does the writer want to do a research and what does the writer want to gain from the research. The research objectives are specifically stated in the following questions:

1. To prove empirically the effect of leadership towards employee performance.

2. To prove empirically the effect of discipline towards employee performance.
3. To prove empirically the effect of leadership and discipline towards employee performance.

E. Research Benefit

The research benefit is to give information and knowledge that is needed to solve the problems and to make a decision as follows:

1. For the writer and the reader, to know the leadership style, discipline, and employee performance in Bank Mandiri.
2. For the writer and the reader, to know if leadership and discipline is the only aspect that influence employee performance to make the employees work better.
3. For other parties, to make them conduct a further research in the future.

F. Systematics of Writing

This research is written in five chapters that show the research process, carried out by grouping the material into sub chapters with the following systematic of writing:

Chapter 1: Introduction

This chapter explains about the background of research, identification of problem, formulation of problem, research objectives, research benefit, and organization of the paper.

Chapter 2: Literature Review

This chapter explains about the definition of the variables leadership, discipline, employee performance according to experts, the advantage and disadvantage of variables, the

purpose of the variables, functions of variables, task of variables, role of variables, indicator of variables, previous research, research framework and hypothesis development.

Chapter 3: Research Methodology

This chapter describes the research method consisting of method/kind of research, variable measurement, research population and samples, method of collecting data, research instrument and method of data analysis.

Chapter 4: Discussion

This chapter gives a general description of the research site and a short history of Bank Mandiri. It also describes the result of the validity and reliability test of leadership, discipline and performance. This chapter also discusses the influence of leadership and discipline on employee's performance in Bank Mandiri. This chapter gives the result of the normality test, multicollinearity test, heteroscedasticity test, multiple linear regression analysis. Correlation analysis result, the result of coefficient determination analysis, the result of t test and r test.

Chapter 5: Conclusion and Suggestion

This chapter gives a conclusion on the research that is conducted and gives a suggestion to the parties that was researched.