

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

In the current era of globalization, work is a very crucial need, most of the work is associated with the key to determining the standard of life of an individual. The intense competition in the current era for finding a job is difficult. This selective procedure requires companies to go through a lengthy selection process to find human resources. This is in order to achieve the company's goal of having quality human resources to employ. Therefore the company is looking for human resources who are able to run and support the organization in achieving the company's vision and mission.

Human resources play an important role in the organizational system to realize the company's vision and mission. Handoko Siahaan (2002) the success of a company does not only depend on raw materials and capital, but also labor. Therefore for companies it is very important to find quality human resources in order to support and maximize company productivity. Quality human resources (HR) are those who have comprehensive thinking, are able to predict future needs, have a positive attitude, behave in a commendable and insightful manner, and have the ability, skills and expertise to meet the needs of various fields and fields of development. According to Robert (2002) personality traits high quality include; dedication, honesty, innovation, hard work and persistence.

The large role of human resources for the company's success requires companies to be able to find and retain workers who can support the company's goals by making

their members feel tied to the company. Based on the survey conducted by global human resources firm, Towers Watson, reveals a fact with the results of analysis of all companies in Indonesia that has been struggling to acquire and retain employees. Johannes, (2014, December 2). This is a challenge in itself for companies to find and retain qualified employees who can commit to the company. According to Schiemann's (2011) research, employees who are committed to the company can increase company profits.

Organizational commitment is a condition for employees to stay in the company that supports them. Armstrong (2012) states that an employee's commitment to his organization is an important key in determining the success or failure of an organization. Furthermore, Suma & Lesa (2013) argue that organizational commitment is an individual strength with its involvement with the organization. Organizational commitment cannot be formed independently. according to Greenberg (2011), organizational commitment is influenced by two main factors, namely: internal factors of employees, including job satisfaction, employee engagement, personality, motivation etc. External factors come from outside employees, including work environment, coworkers, organizational culture, etc. Organizational commitment is the result of interactions between the company and its employees. Commitment equals employees' attitude towards the company and is sustainable.

The importance of behavioral commitment to the organization makes companies have to strive to manage human resources, the impact of employee commitment to the organization greatly determines the value of the company. According to Robbins (2011) loyal employees

have almost no opportunity to participate because of their high loyalty which causes losses to the company. Organizational commitment is characterized by the willingness of employees to work hard, a strong desire to remain in the company, and employee acceptance of company values. According to Riggio (1990) commitment can be seen in high attendance levels and best performance. In addition, Mowday (1980) revealed the characteristics of employees who are committed to the organization, including those who have the ability to work hard, have strong beliefs, and are willing to accept the goals and values of the organization, so employees who are committed to the organization will have endurance. strong in the organization.

However, in Indonesia itself, according to a study conducted by Watson Wyatt in 2004-2005 with the theme "Working Indonesia", as many as 8,000 samples were taken from 46 institutions in Indonesia. The results showed that the level of commitment to Indonesian organizations was low. Conscience (24 July 2015). Due to employees' negative perceptions of company policies (such as material satisfaction, trust in leaders, better job opportunities, career paths, etc.), non-commitment to the company appears.

Low organizational commitment to employees can lead to suboptimal work attitudes. Conversely, a strong commitment becomes a separate motivation for employees in carrying out their work by reflecting on all abilities, energy, and thoughts with the aim of strengthening in supporting the success of the company. A strong commitment makes employees care about the fate of the organization so that employees try to make the organization more advanced. Siddhanta & Roy (2010)

revealed that most of the things that affect company performance are employee satisfaction, profitability, loyalty and productivity, this is the result of committed and engaged employees. Therefore, organizations need to bind employees in order to make a strong commitment.

The results of the preliminary study found that when the company went bankrupt, there was a large-scale layoff (PHK). It is not enough that there arises the problem of some employees resigning and inviting colleagues to resign from the company, while the company is experiencing a crisis period which should be supported by employees. So it becomes a big question how the attitude of the employee's organizational commitment in the company PT.Perkebunan Mitra Ogan Pin 1 Peninjauan.

Facing this precarious situation, PT.Perkebunan Mitra Ogan Pin 1 Peninjauan responds to this condition by making an extreme break through to the point where more than 50% of employees have to terminate employment. Efforts made by PT. Perkebunan Mitra Ogan Pin 1 Peninjauan has yielded positive results. This is evidenced by the tendency of employee performance to gradually recover both in terms of employee performance and company operations. The achievements that have occurred at PT. Perkebunan Mitra Ogan Pin 1 Peninjauan, of course, does not happen independently, this is supported by many factors including internal factors in human resources. According to Sihan (2001), human resources are very important for organizations because human resources are people who provide energy, talent, creativity and hard work to the organization. So that companies need to pay attention to the employee management system.

Related to the achievement of PT. Perkebunan Mitra Ogan Pin 1 Peninjauan Observations are gradually starting

to recover. The question arises how PT. Perkebunan Mitra Ogan Pin 1 Peninjauan An overview of the management of its human resources during a period of bankruptcy. In connection with this question, the researcher conducted a preliminary study by interviewing several employees of PT.Perkebunan Mitra Ogan Pin 1 Peninjauan.

The results of the preliminary study were found, after the employee layoffs. The remaining employees are really well selected and have criteria engagement. What is expressed in behaviors such as understanding work values, feelings of employees enjoying work, wanting to work extra hard to go beyond the job description. The current employees not only reinforce their congenital skills at work, but there is also an emotional side in trying to restore a company that is in a crisis. The condition of employees who support each other adds to the positive side so that employees are bound to one another.

Employee engagement is closely related to building commitment to the organization. Through good employee engagement , employees will form a high commitment to the organization. In line with this, Permana (2018) argues that employee engagement can affect employee commitment to the organization. In line with research conducted by Sunarto (2016), employee engagement has a significant effect on employee organizational commitment. Therefore, to maintain employee commitment to the organization, companies need to make employees feel bound.

Robbins (2011) defines employee engagement as a positive attitude expressed by employees towards the company and company values. An employee who can be said to be engaged has more awareness of the organization and works with all colleagues to optimize performance

values for the benefit of the organization. Attachment occurs when an employee has positive feelings about his job, is willing to be involved and devotes his energy to the achievement of company goals, and lives the work done with enthusiasm. When Employees engage with the company, the employees will have a concern for the organization. This concern is what makes employees give all their abilities and will work with high enthusiasm for their company.

Schaufeli (2002), behavior engagement has behavioral characteristics that show employee resilience, energy in doing company orders, employee participation in exploring work with enthusiasm, and focus on the assigned task. These three characteristics can describe, persistence in work, enthusiasm, pride, high dedication, punctuality, obeying rules and when working hours are full of appreciation.

Departing from the problems and findings of the preliminary study, the researchers are interested in finding out more about the relationship between the two variables with the title **"The Correlation of Employee Engagement and Organizational Commitment to Employees Case Study in PT. Perkebunan Mitra Ogan Pin 1 Peninjauan"**.

1.2 Formulation of the Problem

Based on the background of the problem, the problem formulations in this study are as follows:

Is there a relationship between employee engagement and organizational commitment to employees of PT. Perkebunan Mitra Ogan Pin 1 Peninjauan?

1.3 The Objectives of the Study

The purpose of this study was to determine whether there is a relationship between employee engagement and organizational commitment to employees of PT. Perkebunan Mitra Ogan Pin 1 Peninjauan.

1.4 Research Benefits

The benefits of this study are as follows:

1.4.1 Theoretical Benefits

1. The results of this study are expected to provide useful input regarding employee engagement and organizational commitment in the field of Industrial and Organizational Psychology.
2. Provide input for further research related to the theme of employee engagement and organizational commitment, bearing in mind that there are many other variables that can affect performance in considering other variables that have not been studied.

1.4.2 Practical Benefits

1. Providing information to the HR Department regarding employee engagement with employees at PT. Perkebunan Mitra Ogan Pin 1 Peninjauan An overview that can be used as a consideration for improving employee engagement and optimal organizational commitment and advancing the company.
2. As input for PT. Perkebunan Mitra Ogan Pin 1 Peninjauan of the conditions experienced by employees in the company that affect employee engagement, as well as a consideration for the

Personnel department to increase organizational commitment so as to maximize employee involvement.

3. Provide information to PT. Perkebunan Mitra Ogan Pin 1 Peninjauan as a consideration for improving employee engagement and organizational commitment to employees.

1.5 Research Authenticity

Based on the reviews that researchers have done, there have been previous studies that discussed problems or phenomena in terms of the same theme as the research that the researcher adopted. Fariz (2017) examines "The Relationship between Employee Engagement and Employee Organizational Commitment Community Ambassador Sampoerna Mild 16At PT. Sunrise Kemilau Indonesia "using the total population technique. The study used Pearson's Product Moment Test and obtained $r^{xy} = 0.875$, with sig = 0.000. This means that there is a strong positive relationship between employee engagement and organizational commitment of the SPT employee community ambassadors. Sunrise Kemilau Indonesia.

Albdour & Altarawneh (2014) study examined "Employee Engagement and Organizational Commitment: Evidence from Jordan". The results showed that there was a significant relationship between employee engagement and organizational commitment. In taking the sample the researcher used non-probability sampling and the total sample was 336. The results of the analysis of employee engagement with organizational commitment from this research showed that the two variables were interrelated.

Furthermore, Ambar & Saba (2015) researched "Relationship Between Organizational Commitments, Employee Engagement and Career Satisfaction A Case University Of Gujrat Pakistan" This study used a quantitative method with a population of 124. The results showed that there was a significant relationship between employee engagement and organizational commitment. This research uses quantitative techniques to test the hypothesis. The population chosen for the study was Gujarat University, Hafiz Hayat campus. The design used is the sampling technique used for this study is random sampling. This study uses a data collection method. The questionnaire is used as a tool for data collection with a Likert scale. The results of data analysis were carried out using the statistical package for social science (SPSS), showing the value Alpha standard for organizational commitment, career satisfaction and employee involvement is 0.775 and the results of the application of the analysis showed that there was a positive relationship between the three variables.

Based on some of the studies described previously, the difference in the research that will be carried out by the author is different from previous studies, namely the subject and location at PT. Perkebunan Mitra Ogan Pin 1 Peninjauan.