

# **CHAPTER 1**

## **INTRODUCTION**

### **1.1. Background Review**

Today there are many snack producers and the numbers continue to grow. The key to the success of this business is the huge number of consumers. The population in Indonesia is large and will continue to grow. Indonesian people like to gather and make events. Where people gather, there is food. However, sometimes when gathered, people are lazy to eat large meals and prefer to eat snacks. The snack business is endless. Many who used to start from home-based businesses have now become successful big business people. From this Phenomena, this study was conducted with snack producer which is Ebenhaezer Cashew Company.

Ebenhaezer Cashew Company stands on 2007 in Rembang. The company expands their market and has a lot of customers. Ebenhaezer Cashew Company plays businesses are the distributors and cashew grocery stores which serve the customers who are bought in a large size and even serve end customers who buy a product for using individually. Ebenhaezer Company is located in Rembang, Central Java. Cashew of Ebenhaezer also sell it in large quantity with grocery price to resell the product. The product provided in Ebenhaezer is from West Nusa Tenggara. Many people from several countries come to buy their products, such as Vietnam, Hong Kong, and India. The company wants to expand its company by doing its own export without intermediaries.

We know that International trade greatly influences a country's economic growth, because in international trade all countries compete in international markets. So to do export activity task performance is very influential to process and produce goods quickly and also the best quality that are suitable for sale in foreign markets. Cashew nuts that are exported can be in the form of cashews (cashews that still have shells) and processed cashews. Both must have the criteria for goods to be exported abroad. for that we need human resource management that can produce

products according to overseas market criteria. They need to increase their performance of organization, so it will impact with their financial outcomes. They also have the competitor, for example Mafasari Company. So, they need to increase their ability to fulfill the customers demand and beat the market competitive and also increase their competitive advantage by the human resources management methods.

In the Starbucks Corporation known for their customer service (Vindhika Tiwari, 2011). The most important thing to achieve success in this business besides quality products, also the cooperation and the amount of teamwork in sales. Employees who are positioned as the foremost team and know what customer needs are first line staff, for that it is very important for a company to motivate, reward, and train these employees to become quality employees. Adding work experience to employees and providing promotional opportunities for partners is a way to improve the company's sustainability. Employees need to have good knowledge and training for better performance in a company (Michelli, 2006).

There several recent trends including high levels of human resource outflows and low career commitment have created unique challenges in achieving a positive impact on well-being. It is crucial for the sustainable development of the sector to enhance employee well-being to attract, retain and develop staff. Therefore, this study was conducted with the primary objective to investigate the impact of task performance on Ebenhaezer Cashew Company. This study therefore adds to the literature by relating human resource practices to motivation, training, and responsible leadership. Furthermore, we will analyze how human resource practices influence these dimensions, focusing on the mediating role of employee well-being. In order to make a competitive advantage, a company should deal with the human resources as well due to the increase in task performance to increase the customer satisfaction.

Task performance is a generic term for how a person does on a given task. For instance, task performance is sometimes measured as response time it is about how long a person takes to respond to a given, timed or untimed or it could be measured as accuracy. Typically, task performance is a term for quantifying

someone's performance on a task. Specification of task actions: This is one of the crucial elements which is used to measure the task performance of the employee. The employees must fulfill all the specifications of the task to accomplish it successfully. According to (Koopmans et al. 2011) task performance describes the core job responsibilities of an employee. It is also called "in-role prescribed behavior" and is reflected in specific work outcomes and deliverables as well as their quality and quantity. One of the most important functions of an organization is to ensure that employees are effective in performing their jobs. Task performance is important because it relates to producing job-specific goods and services and requires employees to acquire and demonstrate core technical skills (Motowidlo & Schmit, 1999). Evidence shows that employee well-being, characterized as the assessment of employee experiences based on their perceptions of life and work, is positively related with job satisfaction, organizational commitment, and individual task performance while negatively related with turnover intention and burnout. One of the main reasons to also include task performance as a measure of job performance is that it impacts the quality of human resource practices (Befort & Hatstrup, 2003).

The human resources aim is to optimize human capital organization's return on investment and reduce financial risk. HRM is responsible for performing these operations in an effective, safe, fair and consistent manner. Although there are a variety of definitions of HRM, the common factors that connect these definitions together are that they stress the importance of linking HR practices to organizational performance. HRM is an operation and policy program that focuses on the effective management of employees and the role of employees within the company to achieve the goals (Bayars and Rue, 2012). Human Resources (HR) is the critical one, among other resources, that makes a difference in the performance of an organization. One of HRM's key goals is to improve organizational efficiency (Paauwe et al. 2013).

**Table 1.1**

**Sales Activity on Ebenhaezer Cashew Company in 2019**

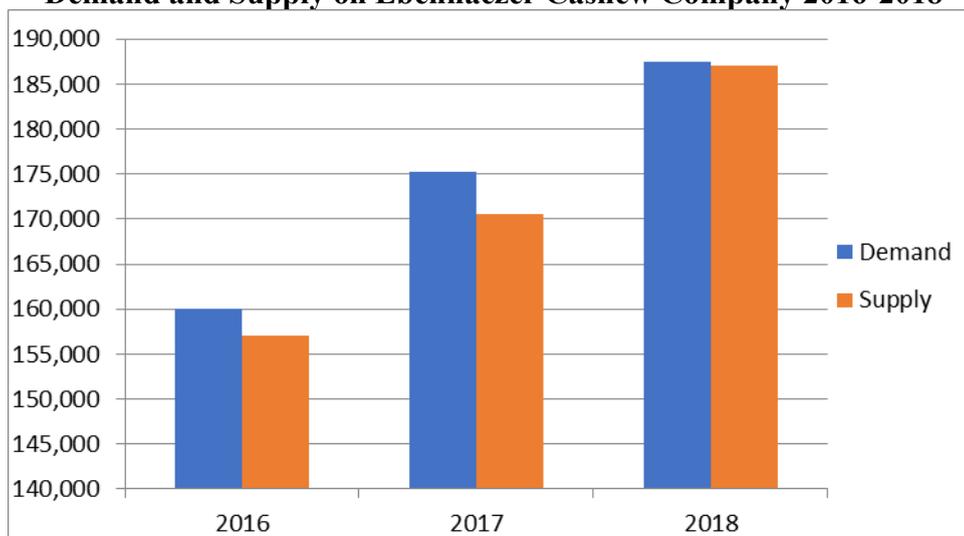
Month / 2019	Cashew's Sales Data
January	18.000 kg
February	16.000 kg
March	16.750 kg
April	17.000 kg
May	18.000 kg
June	19.000 kg
July	17.000 kg
August	15.000 kg
September	13.000 kg
October	15.000 kg
November	15.350 kg
December	16.550 kg

Source: Cashew's Sales Data in 2019

According to table 1.1 above, knowing that the sales activity on Ebenhaezer Cashew Company is unstable in 2019. The sales are erratic month by month, its caused by the HRM that can not fulfill the demands of the customers.

**Figure 1.1**

**Demand and Supply on Ebenhaezer Cashew Company 2016-2018**



Source: Ebenhaezer Cashew Company's Demand and Supply

From Figure 1.1 above show the demand and supply of the product on Ebenhaezer Cashew Company in 2016 until 2018. According to the data, this study will be conducted with Snack Company which is Ebenhaezer Cashew Company and focused on task performance that is needed to increase sales activity. Also the HRM practices which are variables such as: motivation, training, and responsible leadership to improve the task performance. Absolutely task performance will give huge impact to the company.

## **1.2. Research Questions**

Based on the background explained previously, problem statement is formulated as follows:

1. Does motivation positively influence task performance on Ebenhaezer Cashew Company?
2. Does training positively influence task performance on Ebenhaezer Cashew Company?
3. Does responsible leadership positively influence task performance on Ebenhaezer Cashew Company?
4. Does employee well-being positively influence task performance on Ebenhaezer Cashew Company?
5. Does employee well-being mediate responsible leadership and task performance on Ebenhaezer Cashew Company?
6. Does employee well-being mediate motivation and task performance on Ebenhaezer Cashew Company?
7. Does employee well-being mediate training and task performance on Ebenhaezer Cashew Company?

### **1.3. Research Objectives**

Based on the background and problem statements explained previously, the objective of the study is formulated as follows:

1. To analyze the influence Motivation toward Task performance on Ebenhaezer Cashew Company.
2. To analyze the influence Training toward Task performance on Ebenhaezer Cashew Company.
3. To analyze the influence responsible leadership toward task performance on Ebenhaezer Cashew Company.
4. To analyze the influence of employee well-being and task performance on Ebenhaezer Cashew Company.
5. To analyze the mediation of employee well-being toward motivation and task performance on Ebenhaezer Cashew Company.
6. To analyze the mediation of employee well-being toward training and task performance on Ebenhaezer Cashew Company.
7. To analyze the mediation of employee well-being toward responsible leadership and task performance on Ebenhaezer Cashew Company.

### **1.4. Significance of the Study**

#### **1.4.1. Theoretical Benefit**

This study is an attempt to explore the impact of a human resource practice through employee well-being on task performance. It is to examine of aspects as well to analyze task performance of Ebenhaezer Cashew Company. The present study enlightening on task performance and employee well-being through implementing on the task performance.

#### **1.4.2. Practical Benefit**

The results of this study can offer sales activity of the company that attempts to identify task performance of Ebenhaezer Cashew Company, by acknowledging the impacts of human resource management.

## **1.5. Systematic of Writing**

### **CHAPTER 1: INTRODUCTION**

This chapter describes the research topic and the aim of this research. This includes the background, research question, objective, scope of research, significance of research, and the chapter's general outline.

### **CHAPTER 2: LITERATURE REVIEW**

This chapter provides the brief description of theoretical foundation that is used and the previous study that has been used throughout the study. Some concepts are used to analyze the results and findings of the study.

### **CHAPTER 3: RESEARCH METHOD**

This chapter offers a brief description of how the data are obtained and how these data will be interpreted in order to achieve this research objective.

### **CHAPTER 4: ANALYSIS AND DISCUSSION**

This chapter includes explanation of the data, interpretation of the data and discussion. It also addresses description of the respondents, description of statistical variable analysis, and testing of hypotheses.

### **CHAPTER 5: CONCLUSION AND SUGGESTION**

This chapter is the closing of this study which gives the conclusion and suggestion to further research for the research topic, even for the client or researcher.