

CHAPTER I:

INTRODUCTION

1.1 Research Object Overview

1.1.1 Background PT. Telkom Indonesia

PT. Telkom Indonesia (Persero) is State Owned Corporation that provides and administers Telecommunication and Information service in Indonesia. Shareholders the majority of Telkom is the Indonesian Government with 52.09%, while the remaining 47.91% is controlled by the public. Telkom shares traded on the Indonesia Stock Exchange (IDX) with the code "TLKM" and the New York Stock Exchange (NYSE) with the code "TLK"(Annual Report PT. Telkom Indonesia 2019).

According in (Annual Report PT. Telkom Indonesia 2019) PT. Telkom Indonesia as the biggest Telecommunication and Information Company in Indonesia with 10 Subsidiaries with direct ownership are actively operating, there are PT. Telecommunication Cellular (Telkomsel), PT. Multimedia Nusantara (Mentra), PT. Telkom Satellite Indonesia (Telkomsat), PT. PINS Indonesia (PINS), PT. Telkom Access (Telkom Akses), PT. Telekomunikasi Indonesia International (Telin), PT. Dayamitra Telekomunikasi (Mitratel), PT. Infrastructure Telecommunication Indonesia (Telkom Infra), PT. Metranet (Metranet), and PT. Graha Sarana Duta (Telkom Property).

According in (Annual Report PT. Telkom Indonesia 2019) Product and Service that PT. Telkom Indonesia provide to able create and increase value on customers, Telkom regulation business based on the customer segment, or Customer Facing Unit (CFU). Telkom categorizes its product portfolio into five segments:

1. Mobile

Mobile segment provides legacy cellular services including voice and SMS, mobile broadband, and digital mobile services which include IoT, big data, financial services, VOD, music, games, and digital advertising. Based on Annual Report 2019, PT. Telkom Indonesia recap 171,1 Million Cellular

users speared in to 6,4 Million Postpaid users and 164,7 Million Prepaid users. Also, the Mobile Broadband user are 110,3 Million users.

2. Consumer

Consumer segment provides fixed voice, fixed broadband, IP-TV and digital services. The users of the Consumer segment are 9,4 Million users in Fixed Telephone and 9 Million users in Fixed Broadband.

3. Enterprise

Enterprise segment to provides ICT services and platforms that include connectivity, IT services, data centers and cloud, business process outsourcing, devices, satellite business, digital services and adjacent services (such as e-health services and ATM management). The users of this segment are 1.917 in Corporate, 300.416 users in Enterprise, and 975 Government Institution

4. Wholesale & International Business (WIB)

WIB to provide wholesale telecommunication carrier services, international business, telecommunication tower business, and infrastructure and network management services.

5. The Others Segment.

Providing smart platforms, digital content, e-commerce and property management in an effort to increase Telkom's property assets throughout Indonesia.

1.1.2 Vision and Mission

a) Vision

Be the King of Digital in the Region

b) Mission

Lead Indonesian Digital Innovation and Globalization

1.1.3 Logo Telkom Indonesia



Figure 1.1 Logo Telkom Indonesia 2013

Source: Telkom Indonesia

1.1.4 Structure Organization

The number of employees in PT. Telkom Witel Cirebon is 59 people with the following organizational structure:

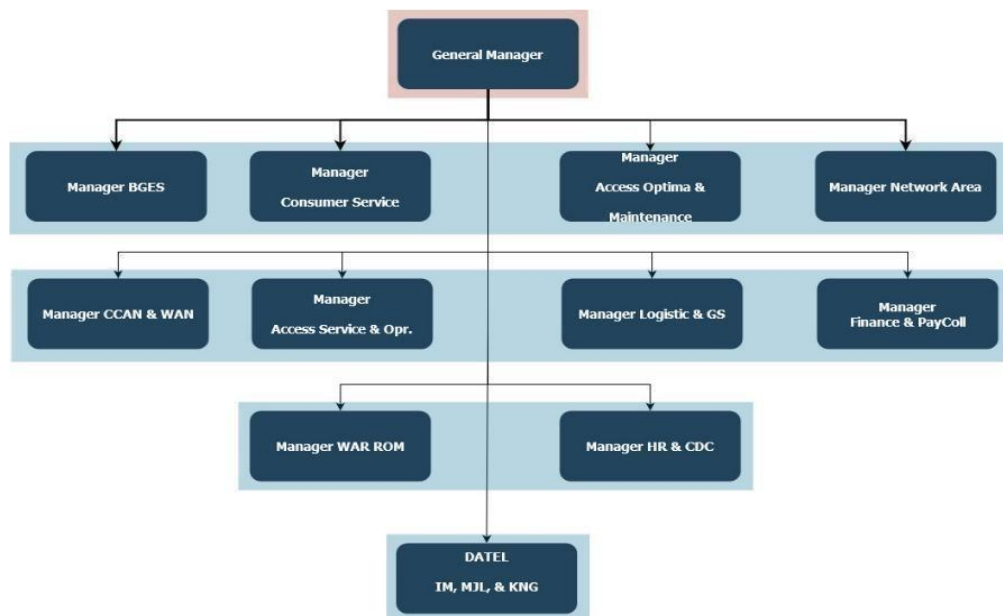


Figure 1.2 Structure Organization PT. Telkom Witel Cirebon 2014

Source: PT. Telkom Witel Cirebon

1.2 Research Background

Human Resource is an important aspect that can generate the company to achieve the goal of the company. The company can run as expected if there are the people that have the same goal which is the desire to improve as the company and

make the company got a surplus, to make companies increase and surpluses require good performance, human resources are forced to increase effectively and efficiently in their work. The era globalization makes the company realize needed good human resources and technology to survive the company from the changes of era and for competing the competitors that already apply the good innovation in their companies. This situation makes some of the work industry being a company specialization, such as Telecommunications and Information industry. (Anthony ,2017). Furthermore, according to Parashakti *et al* (2020) In era globalization the company required to more competitive to the competitor that makes the company must have the advantages and competitiveness. The amount of competition makes the company must effort to face the challenges, one of the efforts that company must done is to increase its human resources.

According to Parashakti *et al* (2018) PT. Telecommunications Indonesia is a company that provides access to Telecommunication and Network services for the customer in territory of Indonesia. The amount of competition in globalization era is one that occurs in economic field, so the company is required to have good skilled human resources in their fields in order to achieve the desired results in accordance with the company (Esthi and Savhira, 2019). In this competition era the company is required to have good skilled human resources in their fields in order to achieve the desired results in accordance with the company vision and mission.

Inside the framework of an organization, there is a relationship between individual performance and organizational performance. A government or private organization, large or small, in achieving the stated goals, must be through activities that have been driven by a person or group of people who actively act as actors, otherwise the achievement of organizational goals is only possible because of the efforts made by people in the organization (Nurhidayad *et al*, 2019). Organizational performance will be largely determined by the element of its employees, therefore in measuring the performance of an organization it should be measured in terms of the performance of its employees. According to Citraningtyas *et al* in (Esthi and Savhira, 2019) Performance is the most important part of company because it is directly related to the capabilities and skill of employee which means employee are the core of the company to achieve the main objective.

According to Edison *et al* (2018) said that to achieve optimal and stable performance, it is obtained by the stages of good performance management and maximum efforts to achieve good performance. While according to Sidanti (2015) To create good performance, it requires an optimal work increase and is able to produce the best potential of employees to achieve good organizational goals and provide development for the organization. Employee performance is the results of the employee's work achievement that is assessed based on the quantity and quality of doing his job (Mangkunegara, 2017). According to Mangkunegara *et al* (2015) more high working discipline in employee, it will the employee can feel the job that has been done and the employee can feel the maximum performance of their work.

According to Sutriyono *et al* (2016) Said that work discipline is one aspect of the company in improving employee performance and productivity in an organization. Furthermore, according Arenofsky (in Razak *et al* 2018) Work discipline is a form of employee self-control and the implementation of employees carry it out regularly and shows the seriousness of the work team in an organization. Work discipline instilled by the organization or company to employees will greatly affect the sincerity of employees in working. Good discipline reflects a person's sense of responsibility for the tasks assigned to him. This encourages passion, morale, and the realization of company, employee and community goals. Therefore, every manager always tries to ensure that his subordinates have good discipline. (Arif *et al* 2019).

PT. Telkom Witel Cirebon is the company that provides the telecommunication and information in area Cirebon city, as the subsidiary of the PT. Telkom Indonesia makes all the regulations and policies must follow to the parent company. PT. Telkom Witel Cirebon have the indicator of performance to measure the quality work of the employee based on the result of work employee. Performance assessment in PT. Telkom Witel Cirebon assessed the aspects Performance (P). Assessment of performance got based on the how the employees finish the work program on target and finish work programs on time in certain periods that have been set by the company. That is the table of the information about

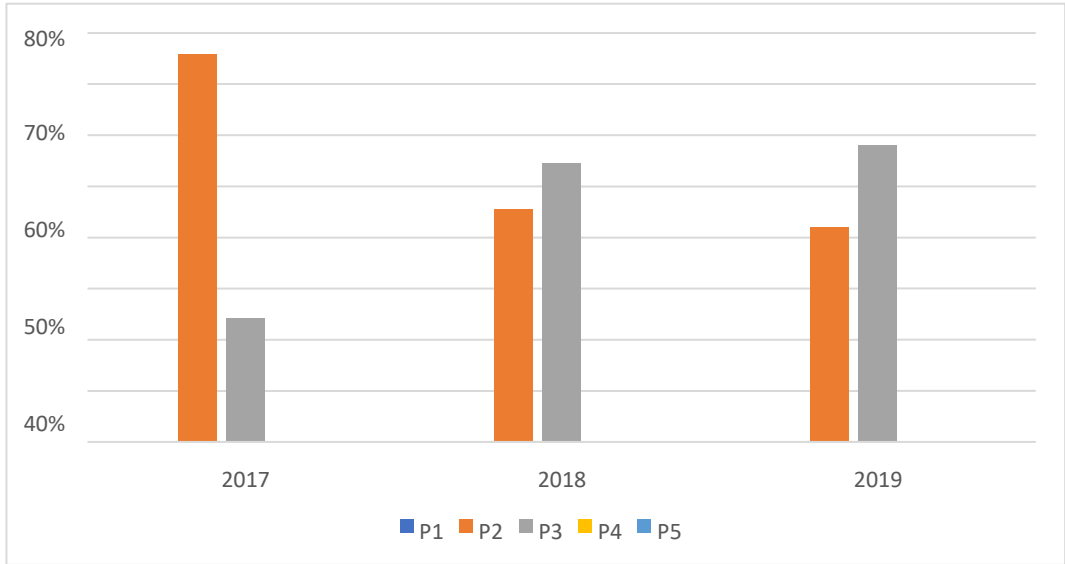
the criteria for evaluating the performance of employees in PT. Telkom Witel Cirebon:

Table 1.1 Performance Criteria PT. Telkom Witel Cirebon

Range Value Target %	The Value Name	Description
> 110%	P1	Excellent
104 – 110%	P2	Very Good
97 – 103%	P3	Good
90 – 96%	P4	Bad
< 90%	P5	Very Bad

Based on Table 1.1 above PT. Telkom Witel Cirebon already set the standard quality of human resource to work optimal as well that is make the employee must work based on the rules.

PT. Telkom Witel Cirebon have the recap to the employee that have score under target or the quality of employee decrease to make the decision that the employee is capable or not. That is the analysis data employee performance that already recap from 2017 until 2019 in PT. Telkom Witel Cirebon:



Source: PT. Telkom Witel Cirebon

Figure 1.3 Chart Percentage Employee Performance PT. Telkom Witel Cirebon from

2017-2019

Based on the Figure 1.3 above, there is decreasing quality human resource in 2018 proven the number of employees that got predicate Very Good (P2) and most employee in 2018 got predicate Good (P3) which means the quality of work employee decreasing because the last year in 2017 the number of employee that got Very Good (P2) is very dominant proven in data show that the number employee P2 in 2017 is 75.8% employee in PT. Telkom Witel Cirebon is Very Good in doing work. In 2019 still decreasing even in 2018 number of employees that work more less than the others year but the employee that got predicate Very Good in 2019 just increase 1 employee and also the number employee that got predicate Good increase 3.5% means the quality of employee performance stuck in the same level in 2018.

Table 1.2 Percentage Employee Performance PT. Telkom Witel Cirebon from 2017-2019

No.	Criteria	Year			Total %		
		2017	2018	2019	2017	2018	2019
1.	P1	0	0	0	0%	0%	0%
2.	P2	47	20	21	75.8%	45.5%	42%

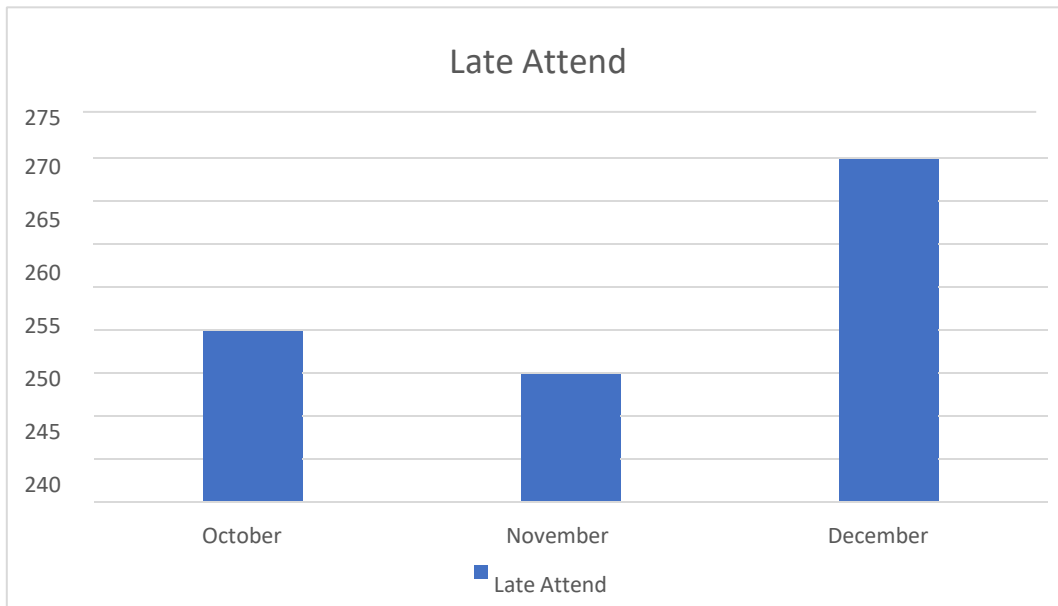
3.	P3	15	24	29	24.2%	54.5%	58%
4.	P4	0	0	0	0%	0%	0%
5.	P5	0	0	0	0%	0%	0%
Total		62	44	50	100%		

Source: PT. Telkom Witel Cirebon

Based on the Table 1.2 above, the percentage of employees' performance in PT. Telkom Witel Cirebon from 2017-2019 shows the decreasing performance data in every year. In 2017 PT. Telkom Witel Cirebon recap the data performance from 62 employees 47 employees' got criteria P2 and the percentage is 75.8% this numbers is good means more than half of employees work very good in 2017, and

15 employees got criteria P3 and the percentage is 24.2% this number show the employees work quiet good in 2017. In 2018 PT. Telkom Witel Cirebon recap the data performance from 44 employees' the employee that include in criteria P2 20 employees and the percentage 45.5% means the number is decreasing 30.3% from the last year even the total of employee less than in 2017 and the employee that got P3 is 24 employees and the percentage is 54.5% means the higher employees' performance is P3 or Good. In 2019 PT. Telkom Witel Cirebon recap the performance data from 50 employees and the employees' that include in criteria P2 is 21 employees this number increasing from 2018 increase only 1 employee and the percentage is 42% this is decreasing from 2018 with the difference 3.5% with the number of employees in 2019 more higher from 2018, and the employees' that got criteria P3 is 29 employees with the percentage 58% means in criteria P3 increasing from the 2018.

According to Razak *et al* (2018) One of factors that effect to the decreasing in employee performance is work discipline employee, that can be seen from the level of attendance and its effect to make employee cannot finish the work based on the standard of company. Discipline is one of several factors that influence employee performance because of absence of discipline the make the result of employee not achieve the expectation of company target. The effect of undiscipline This can result in not achieving the goals and objectives of the organization or company and can also hinder the running of the programs made by the organization Dapu (2015). According to Webb et al (2013) in Razak et al (2018) Good employee discipline can be seen if the employee can come to the office regularly and on time, dress neatly in workplace, use office equipment carefully, produce satisfying profit and quality of work following the work method that determined by company to complete work well and have good morale. That is the discipline data about presences in PT. Telkom Witel Cirebon from October until December 2019



Source: PT. Telkom Witel Cirebon

Figure 1.4 Late Attend employee in PT. Telkom Witel Cirebon at 2019

Based on Figure 1.4 above, there is show the fluctuation chart from October until December proven by the up and down number of cases. That show the discipline in November decreasing 6 cases in late attend when in October the cases 250 cases but in the December the cases significantly increase from the 244 cases in November to 270 cases in December means the discipline in December is very bad because the increasing number of cases from November to December are 26 cases. Relate to the performance employee in 2019 there is have connection of work discipline to employee performance.

Table 1.3 Percentage Employee Late Data PT. Telkom Witel Cirebon October-December 2019

No.	Month	Total Employee	Total Days Work	Total Employee Attendance Require	Worker's Late Attendance	Percentage of Employee Late
1	Oct	57	24	1,368	250	32.72%
2	Nov	57	21	1,197	244	31.94%

3	Dec	57	22	1,254	270	35.34%
Averag ∴						33.33%

Source: PT. Telkom Witel Cirebon

Based on Table 1.3 above, the percentage of lateness employees in PT. Telkom Witel Cirebon starts from October until December shows the significantly increase in last month. In October the total required of the company to every employee can attend 100% equal to 1,368-time presences but in the field the employee that late attends to office 250 times from the total of employee that comes late are 764 times and the percentage lateness in October is 32.72%. In November the total required of attendance company is 1,197-time presences but the lateness of employee reach 244 times from the total employee that comes late 764 times the percentage lateness is 31.94%, that number decrease 0.78% from the previous month. In December the total required of attendance company is 1,254 time presences but the employee that comes late is 270 times from the total employee that comes late are 764 times and the percentage lateness is 35.34% that number increase 3.4% from the previous month and average of the lateness in October to December is 33.33%.

Work discipline is very influence on employee performance, discipline is implemented to encourage employees to follow various standards and regulations, so that frauds can be prevented Its main goal is to encourage self-discipline among employees to arrive on time. By arriving on time and carrying out tasks in accordance with their duties, it is expected that performance will increase, through discipline will reflect strength, because usually someone who is successful in their work is those who have high discipline. In order to create an organization, the first thing that must be built and enforced in the company is employee discipline. So, discipline is the key to the success of an organization in achieving its goals.

In a study by Malau and Wasiman (2020) which examined the effect of work discipline and work environment on employee performance at PT. Sanyu Precision Batam with 115 respondents. In this study, it is stated that there is a partial and significant influence between work discipline and employee performance. At PT. Sanyu Precision Batam. In addition, there is also research conducted by Husain

(2018) on the effect of work discipline on employee performance at PT. Bank Danamon Tbk Bintaro Branch. The results of this study show that the variable work discipline has a positive and significant effect on employee performance with an influence contribution of 60.8% and the rest is influenced by other factors. Also, in research by Razak *et al* (2018) on effect of leadership style, motivation and work discipline on employee performance in PT. ABC Makassar. Based on the result of field survey there is the decreasing work discipline in PT. ABC Makassar because of the employee not follow the rules by not on time come to office and others.

The description above showing the discipline of the employee in PT. Telkom Witel Cirebon is one factor that can be affected the performance of the company. To have a good employee is the investment that can make an improvement to the growth in the company and for improvement company in providing service to the customers. The one of aspect that company needs to pay attention are the things that can affected to the process of employee work. A good company is a company that pays attention to every detail of work done by employees so that future performance increases (Andjarwati *et al* 2019).

Based on the description, the writer is interested in examining the relationship between discipline with the performance of employees by titles **“THE EFFECT OF DISCIPLINE ON EMPLOYEES’ PERFORMANCE OF PT.**

TELKOM WITEL CIREBON”

1.3 Problem Formulation

The problem of human resource is the quality of human resource because the success of company is depending of the human resource in company. Discipline Employee is one of the keys of company to achieve the target of company, if the discipline employee in PT. Telkom Witel Cirebon does not compatible to regulation of company that will impacted to the performance of the company because the work of the employee does not optimal and the quality of employee decreasing. That situation makes the company cannot compete to the competitors and the impact are losing of the customers also cannot achieve the vision of PT. Telkom Indonesia to be the king of digital in region.

1.4 Research Questions

Based on the background, the research questions of the problem in this research is:

1. How is the employees' discipline at PT. Telkom Witel Cirebon?
2. How is the employees' performance at PT. Telkom Witel Cirebon?
3. How much is the influence of discipline on employees' performance at PT. Telkom Witel Cirebon?

1.5 Research Objective Based on the research questions above, the purpose of this research is:

1. To find out how is the discipline employees at PT. Telkom Witel Cirebon.
2. To find out how is the performance employees at PT. Telkom Witel Cirebon.
3. To find out how much the influence of discipline on employees' performance at PT. Telkom Witel Cirebon.

1.6 Research Benefit The expected usefulness of this research is:

1.6.1 Theoretical Aspects

a) Writer

The writer can also have benefited from this paper on how to make a research paper and to understand the company. Writer hope can make another paper that better than this paper to everyone who needs it.

b) Educational Institution

The results of this study are expected to contribute to the development of the science of human resource management, especially in discipline toward performance employees.

1.6.2 Practical Aspects

For companies, it is expected that the results of this study can be used as one input related to discipline on employee performance at the Telecommunication company.

1.7 Systematics of Writing Final Project

1. CHAPTER I: PRELIMINARY

This chapter is a general explanation and a concise explanation of the research topics. In this chapter contains the object of research, background research, identification of research problems, research objectives, research benefit, and systematic writing.

2. CHAPTER II: LITERATURE REVIEW

In this chapter contains descriptions of literature review theories about discipline and performance employee and support problem-solving, the literature review, research hypotheses, and scope of research.

3. CHAPTER III: RESEARCH METHODOLOGY

In this chapter contains a description of research methods, and techniques used to collect and analyze the data.

4. CHAPTER IV RESEARCH RESULTS AND DISCUSSION

In this chapter will be explained about the results of research and discussion of the characteristics of respondents, data processing results, and research scope.

5. CHAPTER V CONCLUSIONS AND SUGGESTION

In this chapter is explained about the conclusions of the results of research that is accompanied by recommendations/suggestions for the companies studied. Recommendations/suggestions are also aimed at developing further research knowledge.