

CHAPTER I

INTRODUCTION

1.1 Brief Description of Research Object

1.1.1 Company Profile



Figure 1.1 PT. Wilmar International Ltd Logo

Source: https://commons.wikimedia.org/wiki/File:Wilmar_International_Logo.svg

Founded in 1991, Wilmar International Limited is an agribusiness group headquartered in Singapore. Ranked amongst the largest listed companies by market capitalization on the Singapore Exchange, Wilmar is today Asia's leading agribusiness group.

Wilmar has a lot of business activities such as oil palm cultivation, oilseed crushing, edible oils refining, sugar milling and refining, manufacturing of consumer products, specialty fats, oleochemicals, biodiesel and fertilizers as well as flour and rice milling. Wilmar has over 500 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries. The Group

has a multinational workforce of about 90,000 people. PT. Wilmar International Ltd is always producing high quality processed agricultural products.

Today, Wilmar is the world's largest processor and merchandiser of palm and lauric oils, manufacturer of oleochemicals, specialty fats, palm biodiesel and consumer pack oils as well as crusher of palm kernel and copra crusher. It is also one of the largest oil palm plantation owners and the largest palm oil refiner in Indonesia and Malaysia.

Wilmar also has their core values in commitment to excellence: integrity, excellence, passion, innovation, teamwork, and safety. In terms of global presence, Wilmar's manufacturing plants and sales offices are located across the world.

1.1.2 Company's Vision and Philosophy

Based on the company's internal source, PT. Wilmar International Ltd has Vision and Six Philosophy upon which all efforts of pursuance of excellence and core competency are based:

Vision

1. Be one of the world's largest agribusiness groups with leadership in key commodities
2. Have a leading presence in key developing markets globally
3. Maintain world-class operations in all aspect of our business
4. Operate in integrated business model to maximize efficiency while minimizing efficiency costs
5. Be the employer of choice for our employees globally

Six Philosophies

1. Communicate and work like a small company-move fast, no inter-department "silos" and bureaucratic "layers"
2. Always be on the look-out for growth opportunities
3. Believe there is always room to improve (efficiency, quality, costs etc.)

4. Work as a team towards a common goal-maximize overall profit for the company, not in individual business units
5. Treat our company's resources as our owns
6. Humility (we keep a low profile) and respect towards everyone

1.1.3 Organizational Structure

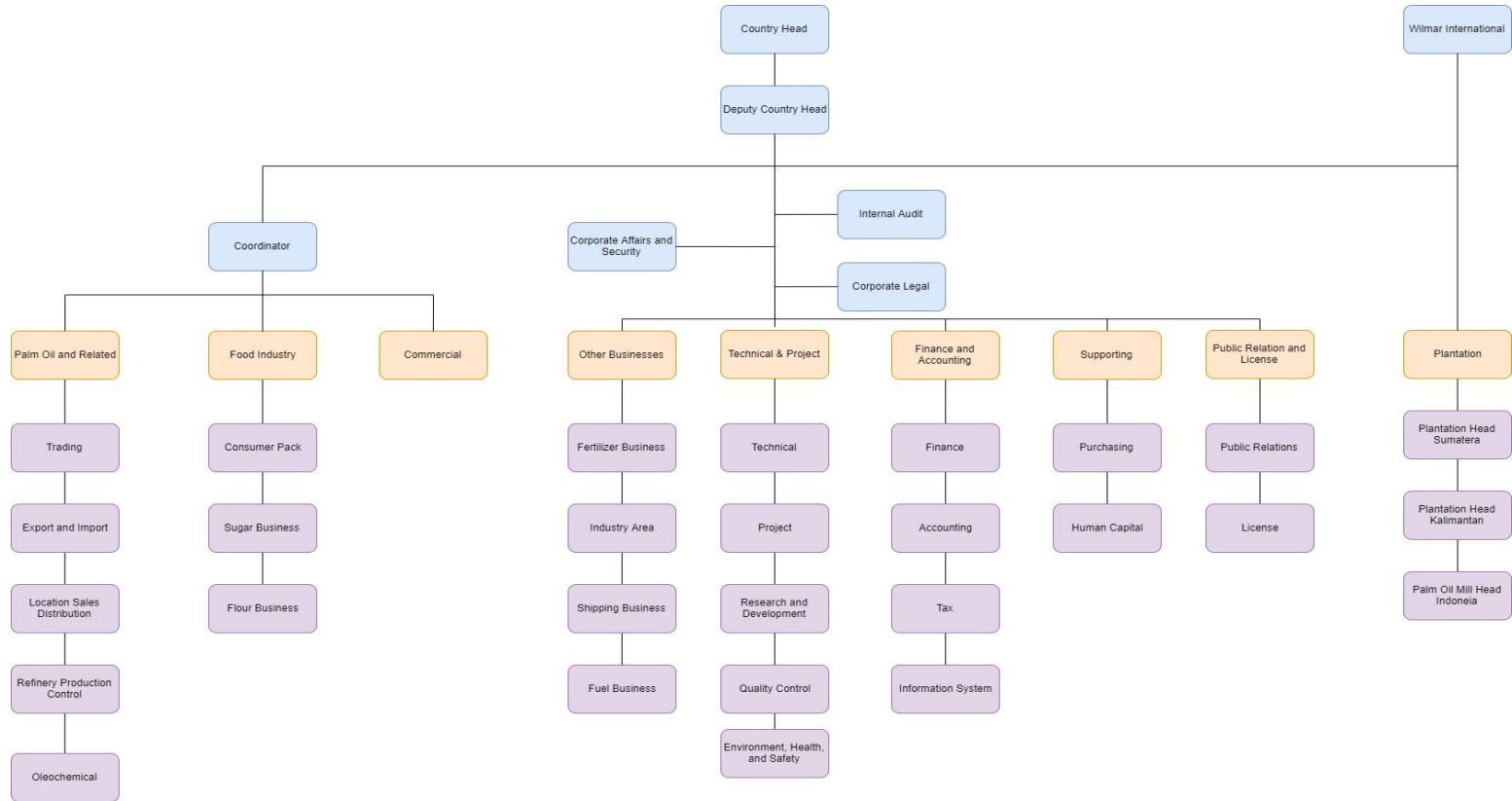


Figure 1.2 PT. Wilmar International Ltd Indonesia Organizational Structure Prior to 2015

Source: PT. Wilmar International Ltd Indonesia Internal Document

1.2 Research Background

Oil palm is the most productive oil crop in the world with yields per hectare about nine times higher than soybean, seven and a half times than rape seed, and six times than sunflower oil. Oil palm's global footprint in terms of total land use is relatively small if compared to other major commodities (Basiron, 2007).

Although oil palm plantations cover an area only one sixth of the size, for example, of soybean plantations, oil palm have a strong localized effect on unique habitats especially with higher than 80% produced in only two tropical countries, which are Indonesia and Malaysia (Levin et al. 2012)

One of Indonesia leading agribusiness company, PT. Wilmar International Ltd, which has been operated in international sector also, is ranked largest listed companies by market capitalization on the Singapore exchange. This means to keep up with their massive competitors, company must rise the employees' performance for better result. (Suryana et al. 2007)

Based on data taken by Indonesia Ministry of Agriculture (2012), Indonesia's palm oil production is as big as 17,54 million ton on 2008, and increase to 23,52 million ton by 2012, with growth average of 7,7% on the year 2008 to 2012. With an averagely high number of production, Indonesia become one of few countries with large oil produce. (Suryana et al. 2007)

Competition and customer orientation have increased and agribusinesses have an obligation to engage in such an environment. New challenges to agribusiness firms around the world have been presented by globalization of economies. Agribusinesses not only have to compete on domestic markets, but also on global markets (Esterhuizen, 2006). For the firms to survive in the uneven economic environment, it is fundamental that they are competitive.

Performance results of their employees have been calculated by one of big companies in Indonesia, which is PT. Wilmar International Ltd. This chart below

shows the result of employees in PT. Wilmar International Ltd Indonesia, focusing on the main branch which is Jakarta branch. The result is separated by grades, with grade A as the best result and grade E as the lowest result. This data is taken from the year of 2015 to early 2017.

Table 1.1 PT. Wilmar International Ltd Indonesia, Jakarta Branch 2015 to 2017 Performance Result Chart

Year/Grade	A	B	C	D	E
2015	40.90%	51.60%	6.90%	0.60%	0.00%
2016	0.03%	45.20%	50.10%	1.40%	0.00%
2017	6.50%	53.90%	38.90%	0.70%	0.00%

Source: PT. Wilmar International Ltd Indonesia Internal Document

The table above shows that from 2015 to 2017 divided into grades. On 2015, the majority of the result is in grade A and B which is 40.90% and 51.60%. The rest of it falls on Grade C and D, with the result of 6.90% and 0.60% respectively. While on 2016, it gets worse where the grade A only has 0.03%.

This table below shows the data on how many employees of PT. Wilmar International Ltd Indonesia, Jakarta Branch asked for permission to leave work, divided based on their demanded hours of leaving. These four hours and two hours break can be proposed by all employees of PT. Wilmar International Ltd Indonesia, Jakarta Branch within their working days and will be permitted if it has a reasonable reason behind it. Permit will be given by the Human Resource Department and only the Human Resource Department has the rights to give the permit. This table shows the break leave data from the year 2015 until the year 2017.

Table 1.2 PT. Wilmar International Ltd Indonesia, Jakarta Branch's Employees' Break Leave Data

Year	4hrs Break	2hrs Break
2015	4.29%	18.53%
2016	4.78%	22.04%
2017	4.79%	22.01%

Source: PT. Wilmar International Ltd Indonesia Internal Document

Quoted from the Human Capital Corporate Head of PT. Wilmar International Ltd Indonesia, Mr. Memed Kosasih, the average standard of two hours break percentage is 20%, while the average standard of four hours break is 4%. Based on the table above, the percentage number of PT. Wilmar International Ltd, Jakarta Branch's office employees who requested a four hours break additional time to their normal break is 4.29% in 2015, 4.78% in 2016, and 4.79% in 2017. All of them are over the standard from the company which is 4%. This means there is a problem on the employee motivation since over the past three years the number increases.

Moreover, the percentage number of the employees who requested for additional break for two hours also increase over the past three years. While the company standard for the two hours break is 20%, at 2015 the number was below the standard, which means a good thing, yet at 2016 and 2017, the number become 22.04% and 22.01%, which means above the company standard. This also means there is a lack of motivation among the employees as there are a number of employees above company standard request for more breaks.

It can be concluded from the table above that the percentage number of employees asking for four hours and two hours break are above the average, which is not good for the company.

Based on the problem above, the writer feels the need to do a research titled "The Influence of McClelland's Theory of Needs towards Employee Performance (Case Study PT. Wilmar International Ltd, Jakarta Branch)".

1.3 Problem Statement

PT. Wilmar International Ltd Indonesia, Jakarta Branch need to set good example as the main branch in Indonesia. Ideally, employee performance should be majorly in grade A and B, while the current majorly in grade C. Additional two hours break exceed maximum percentage which is 20%, and additional four hours break exceed 20% maximum.

In conclusion, the problem is based on the low performance and lack of motivation.

1.4 Research Questions

Based on the research background written on point 1.2, therefore the research questions are:

1. How is the need for achievement on PT. Wilmar International Ltd Indonesia, Jakarta Branch?
2. How is the need for power on PT. Wilmar International Ltd Indonesia, Jakarta branch?
3. How is the need for affiliation on PT. Wilmar International Ltd Indonesia, Jakarta branch?
4. How much is the influence of McClelland's theory of needs toward employees' job performance on PT. Wilmar International Ltd Indonesia, Jakarta Branch?

1.5 Research Objective

The objective from this research is to find data in relation between employee motivations, focusing on McClelland theory of needs (Need for Achievement, Need for Power, and Need for Affiliation) with employees' job performance on PT. Wilmar International Ltd Indonesia, Jakarta Branch. Therefore the objective of doing the research is to know and analyze:

1. To learn how is the Need for Achievement (nAch) affecting PT. Wilmar International Ltd Indonesia, Jakarta Branch's employees.

2. To learn how is the Need for Power (nPow) affecting PT. Wilmar International Ltd Indonesia, Jakarta Branch's employees.
3. To learn how is the Need for Affiliation (nAff) affecting PT. Wilmar International Ltd Indonesia, Jakarta Branch's employees..
4. To determine how much employees' job performance is influenced by McClelland's theory of needs in PT. Wilmar International Ltd Indonesia, Jakarta Branch.

1.6 Significance of the Study

1.6.1 Theoretical Aspect

Theoretically, the benefit of this research is to give wider knowledge and insight for the human resource and management about the influence of McClelland's theory of needs to employee performance on PT. Wilmar International Ltd Indonesia, Jakarta Branch.

1.6.2 Practical Aspect

This research hopefully can be an input for the company, especially in terms of the influence of McClelland's theory of needs to employees' job performance on PT. Wilmar International Ltd Indonesia, Jakarta Branch. For other party, hopefully this research can be used as an additional reference or to develop new ideas for the next research.

1.7 Scope of the Study

This research is about knowing the influence of employee motivation on PT. Wilmar International Ltd Indonesia, Jakarta Branch employees' competency. PT. Wilmar International Ltd Indonesia, Jakarta branch in particular, has given their employees' motivation to increase their work performance.

The dependent variable (X) in this research will be limited to Need for Achievement (X1), Need for Power (X2), and Need for Affiliation (X3), while the independent variable (Y) is limited to employees' work performance only.

The samples that will be used on the research are from the employees of PT. Wilmar International Ltd Indonesia, Jakarta Branch. The data that will be used for the research are sourced from the result of the questionnaire that has been researched, and some data will be gotten from the company.

1.8 Writing Systematics

Writing Systematics was made to let the readers know the clear sequence of the research. On this writing systematics, each content from every chapter is refined. The writing systematic for this research is:

CHAPTER 1: PRELIMINARY

The content of this chapter is about the research's general explanation concerning research object, research background, problem statement, research question, research objective, significance of the study, scope of the study, and writing systematic.

CHAPTER 2: LITERATURE REVIEW AND SCOPE OF RESEARCH

This chapter consists of theoretical basis concerning the research and the theoretical basis on the solutions from the problem. This chapter also contains previous studies similar to the research as a reference.

CHAPTER 3: RESEARCH METHOD

Type of research conducted, operational research variable, research steps, data collection technique, and data analysis technique are interpreted in this chapter.

CHAPTER 4: ANALYSIS AND DISCUSSION

In this chapter, analysis and discussion from the research will be written.

CHAPTER 5: CONCLUSION AND SUGGESTION

The last chapter contains the conclusion and the suggestion from the research that can be used by related parties.

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