

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

Covid-19 Virus or the deadly Corona Virus has spread throughout the world in Early 2020. To be precise, on March 2, 2020, Indonesia experienced a severe health problem, and this problem started with the spread of Corona or COVID-19 (coronavirus disease 2019) for the first time in Indonesia. Following the policies taken by the government, people need to do their job from home (WFH). WFH is a term that is currently widely used during the pandemic because some employees carry out tasks and work from home. This will undoubtedly be difficult for employees to adapt to this WFH environment. The literature surveyed by this study mentions work from home, work-life balance, and job satisfaction as the main factors that influence employee productivity.

Productivity is an employee's mental attitude that reflects the employee's ability to do work and the results obtained based on the resources used. Work from home is paid work that can be done remotely, usually more from home (Crosbie & Moore, 2004). Job satisfaction is a pleasant or unpleasant feeling every employee has toward their work (Handoko, 2001). Work-life balance has an essential function for every employee, and it aims to ensure that employees have a balanced quality of life between work and personal life (Panji Galih Anugrah and Aji Bagus Priyambodo, 2021).

This study wants to investigate the effect of the direct relationship between Work From Home (WFH) on Employee productivity and the mediating effect or indirect relationship between Job satisfaction mediating Work From Home (WFH) on Employee Productivity and Work-Life Balance (WLB) mediating Work From Home (WFH) on Employee productivity. In this study, the method uses a quantitative method,

for primary data collection method using questionnaire and secondary data collection using literature study from previous research.

1.2 BACKGROUND OF THE RESEARCH

The outbreak of the Covid-19 Virus or the deadly Corona Virus has spread throughout the world in Early 2020. To be precise, on March 2, 2020, Indonesia experienced a severe health problem, and this problem started with the spread of Corona or COVID-19 (coronavirus disease 2019) for the first time in Indonesia. Previously, it had spread to various parts of the world. There are 499,938 cases and One hundred thirty-three thousand one hundred six deaths worldwide as of March 30, 2020. Meanwhile, around 1000 positive cases of COVID-19 have been confirmed in Indonesia, and 84 deaths. Coronaviruses are a family of viruses that cause disease in humans, and some do not. Coronavirus, the new type that is becoming a pandemic, is called SARS-CoV-2 (severe acute respiratory syndrome-coronavirus-2). The coronavirus has spread in Indonesia and has led to widespread physical distancing to contain the spread of the virus throughout the world, including Indonesia. Following the policies taken by the government, such as Letter Minister of State Apparatus Empowerment and Bureaucratic Reform Circular, Number 19 of 2020 concerning Adjustment of the Apparatus Work System State Civil Servants in Efforts to Prevent the Spread of COVID-19 in the Environment Government agencies. This regulation stipulates that Apparatus State Civil Servants who are in the environment of government agencies can carry out official duties by working at home or their respective residences. The shift in work methods in question is a change in the organization in assigning tasks and responsibilities to employees by "banning" employees work in the office and congregating in the room. So employees have to work at home, in the word, from home (Mustajab et al., 2020).

The term remote work first appeared in the book *The Human Use of Human Beings Cybernetics And Society* by Norbert Wiener in 1950, who used the term telework (a term popular in Europe to date) (Siddharta and Malika, 2016). Then in

1974, the term 'telecommute' was first used in a University of Southern California report, which focused on a peak hour traffic reduction project funded by the National Science Foundation (Nilles et al., 1974). According to Crosbie & Moore (2004), working from home means paid work done primarily from home (minimum 20 hours per week). Working from home will provide continuity of life for employees, namely free time. Work From Home can also be used to optimize the monitoring of employee performance productivity in carrying out their responsibilities. A calmer and warmer atmosphere at home effects employee performance and will be more efficient in finance, time, and energy. Working during this pandemic certainly provides a change in a work culture that makes workers need to make adjustments. Before the pandemic era of WFH, most of the work was done using face-to-face interactions, including when collaborating or working with teams. On the other hand, work and home life are separate things. This is because work requires a particular time and atmosphere, especially when meeting professional colleagues (Singh & Kumar, 2020). However, the current pandemic can change the work culture that was previously difficult to change. One of the most notable changes is the flexibility of working hours. In addition, individuals can also determine their own designed work area to provide comfort in doing their work from home. In addition, all work activities can be done online. These cultural changes were then referred to as a new normal (Mustajab et al., 2020). WFH has both positive and negative effects. On the one hand, WFH can provide time flexibility for workers to produce a better life balance (Crosbie & Moore, 2004). In addition, WFH also benefits the company because the operational costs incurred for workers are decreasing.

1.3 PROBLEM STATEMENT

The current COVID-19 pandemic is forcing everyone to keep their distance from each other according to WHO's rules to reduce the spread of COVID-19. This makes the company also have to do the same thing; in this case, the company establishes a work from home scheme. In this scheme, employees have to do all their work from

home. This will undoubtedly be difficult for employees to adapt to this WFH environment. There have many factors that can affect employee productivity and have been verified by different models and theories. The literature surveyed by this study mention work from home, work-life balance, and job satisfaction as the main factors that influence employee productivity.

1.4 RESEARCH QUESTION

- 1) Does Work From Home Have a positive effect on Employee productivity?
- 2) Does Work From Home Have a positive effect on job satisfaction?
- 3) Does Work From Home Have a positive effect on Work-Life Balance (WLB)?
- 4) Does Job Satisfaction Have a positive effect on employee productivity
- 5) Does Work-Life Balance Have a positive effect on employee productivity?
- 6) Does Work from home Have a positive effect on employee productivity through Job satisfaction
- 7) Does Work from home Have a positive effect on employee productivity through WLB?

1.5 RESEARCH OBJECTIVE

- 1) To test the effect of Work From Home on Employee productivity
- 2) To test the effect of Work From home on Job satisfaction
- 3) To test the effect of Work From home on Work-Life Balance (WLB)
- 4) To test the effect of Job Satisfaction on employee productivity
- 5) To test the effect of Work-Life Balance on Employee productivity
- 6) To test the effect of Job satisfaction mediating the relationship between Work From Home on Employee productivity
- 7) To test the effect of Work-life balance mediating the relationship between Work From Home on Employee productivity

1.6 SIGNIFICANCE OF THE RESEARCH

1) For the Researcher

The benefit of research for the author are:

- a) The research fulfils the task of the researcher's thesis as a graduation requirement.
- b) Adding knowledge for the author and applying the knowledge and theory that has been obtained during lectures.

2) For The Reader of The research

The benefit for the reader is:

- a) As a reference for further research.
- b) Can be used as material to increase knowledge regarding the topic factors affecting employee productivity in work from home environment.

1.7 SCOPE OF THE RESEARCH

The research will conduct by a survey. This study will describe how the direct effect and indirect of work from home, job satisfaction, and work-life balance effect employee satisfaction in Indonesia. This research will use Validity test, Reliability test, Normlality test, and Path test for the data analysis method

1.8 LIMITATION OF RESEARCH

The research limitations describe things or variables included in the broad scope of the study. Still, they cannot be included in the research and are beyond the researcher's control because of specific methodological or procedural difficulties. In line with the identification of the problem, the focus of the study is on factors affecting employee productivity in work from the home environment; there are several factors, namely work-life balance, job satisfaction, and work from home.

1.9 DEFINITION OF KEY TERMS

1) Work From Home

WFH (telecommuting) is often used interchangeably with remote or telework. There's a significant shift in the 21st-century era from production-oriented to more knowledge-intensive organizations (Hussain et al., 2018; Palvalin, 2017). However, there is terminology differentiation between WFH (telecommuting) and remote work (teleworking). Remote work is a process in which employees work in locations other than the traditional setting, which usually involves telecommuting and virtual working where physical presence isn't necessary (Hatch, 2006). WFH is using the same concept as remote working. Physical presence in the work setting isn't required, but naturally, employees live within commuting distance of the office and do their work in a home setting (Choudhury et al., 2020; Garrett and Danziger, 2007).

2) Job Satisfaction

When employees evaluate their employment experiences, *job satisfaction* is a pleasurable or positive emotional state. According to Schultz and Schultz, job satisfaction is a good or lousy mood and attitude about one's employment. Meanwhile, according to (McShane and Glinow, 2008), job satisfaction is an assessment of an individual's performance in their work, taking into account job features, contextual conditions, and emotional elements from years of work experience. Employees' thoughts and attitudes regarding their jobs are reflected in job satisfaction.

3) Work-Life Balance(WLB)

According to Muliawati & Frianto (2020), work-life balance is the balance of an individual's life to carry out two or more roles in dividing time between work, personal life, and family. Work-life balance can reduce conflicts between private life and work, thus making employees more effective at work (Nirmalasari, 2018). According to Wambui et al. (2017), an inadequate work-life balance will pose a significant risk to employee welfare, especially performance and organization.

4) Employee Productivity

Employee productivity is an assessment of value generated by an individual employee within a specific period. High or low productivity depends on a company's internal average and where the employee, team, and department stand as per this predefined baseline. Productivity directly correlates with business outcomes (both near-term and long-term) and return on investment (ROI). Without this correlation, an activity cannot be viewed as productive.

1.10 STRUCTURE OF THE PROPOSAL

The structure of the thesis has been demonstrated in this section. There are six chapters in this research. In chapter one, problems related to the topic being discussed begin by introducing the chapter and then presenting the background of the case, followed by the formulation of the problem, research questions, research objectives, research significance, research scope, research limitations, key terms, proposal structure, and chapter conclusions.

Chapter two reviews the literature related to price, service quality, store atmosphere, product completeness, and consumer buying interest, followed by the underlying theory, research framework and hypotheses, and conclusions from this chapter.

Chapter three shows the methodology section, including an introductory chapter, elements of research design, population and sampling, variable measurement, instruments, data collection, data analysis, and chapter conclusions.

Chapter four shows the study's conclusions, and the researcher expects the contribution of the research. Chapter five shows research references. And chapter six shows the research attachment covering the research period and the questionnaire.

1.11 CHAPTER CONCLUSION

The structure of the thesis has been demonstrated in this section. There are six conclusions is a part that is in the last position on something or becomes the last part

of a result. Each thing can be categorized into certain sections to get a deeper understanding. Usually, one can get it from the end of an item. Overall, this chapter discusses the beginning of the research, including an introduction and background to the problem to be studied. Explain the problem formula that is clearly explained to facilitate the research process, explain the object of study, and know future research objectives.