

CHAPTER I

INTRODUCTION

A. Research PDAM on Study

Humans live in a bond of mutual dependence, as well as in the life of a company. The company will be said to be successful if there are employees who are deft and successfully helped the company to success. Employee is affecting the success, so the quality of the employees are very worthy of consideration. Not only the quality of the employees, but also the leadership of a leader who can influence the success of a company, so the electability of a leader is to encourage the success of a company.

Leadership is leading the activities in an organization, regarded collectively or activity lead a group of people or organization or the ability to do this. Depend on Northouse's (in Goffee and Jones, 2007: 1) leadership is a process whereby an individual influences a group of individuals to achieve a common goal. Stephen, Andrea and Michelle (2001: 452) argue that leadership processes influence team effectiveness by their effects on four sets of team processes: cognitive, motivational, affective, and coordination. They will argue further that a number of environmental, organizational, and team characteristics moderate the magnitude of these effects. In the next section, we present a functional model of leadership processes.

The dynamic relationship of the leader with employees is frequently cited as crucial in the empowerment literature. Honold and Johnson (in Kay Greasley, 2004: 357) both argued that the leader is responsible for creating a common goal, which they communicate and share.

O'Brien (1995: 115) explains that a recognition of the importance of employee tacit knowledge is based on the assumption that successful performance improvement may not only depend on how work is organized, and the skill of the worker, but on the willingness of employees to convert tacit knowledge of the work process into continuous process improvement and innovation. This can be realized in an organization or company that is able to get a good high-quality employees, one of which is regarded as regional water company (PDAM) of Surakarta one of the companies that must provide services and good results in terms of water providers in the region of Surakarta.

PDAM of Surakarta is one of the largest water companies in the area of Surakarta. Irrigation in the region and around the city is the responsibility of the PDAM. PDAM of Surakarta to be able to sell its services then it should be able to apply the appropriate services because in addition to good service, the company also must provide satisfactory results.

This makes the researchers would like to know more about life in PDAM of Surakarta is business of employees, staff and leadership at the company in the management of a large company in the field of irrigation areas. The

researchers hope that this study serves as a study of how the qualities of a leader and the employees work for the mutual benefit of the company.

Based on the above background, the researchers obtain an interest in conducting research entitled **“INFLUENCE OF LEADERSHIP AND EMPLOYEE BENEFITS TO THE QUALITY OF EMPLOYEES IN PRODUCTION”**.

B. Problem Statement

The work of a leader and the employee is affecting the quality of a company's employees. This is very helpful employees in the production process if their leaders to encourage employees to be more active and more cooperatif with their colleagues so that realization of a bond quality work.

There is a leader who acts as a boss or as a real leader. This is what can differentiate how a quality leader that produces quality employees as well. Manager is more lead, regulate or even to act as they pleased without asking the opinion of the employees, this is called leader. So, manager cannot be said of a leader who is able to positively influence yield in the production of a qualified employee within the company.

Of all the problems that arise, at least will affect employee benefits and quality that has been felt and get a policy from a leader. Still vague about the quality of the company's employees make researchers conducting research with respect to such matters, with the researchers interested in conducting

research entitled, "INFLUENCE THE WORK OF LEADERSHIP AND EMPLOYEE BENEFITS TO EMPLOYEES IN THE QUALITY OF PRODUCTION".

C. Problem Statement

Based on problem statement above, research problem of the study in this study are as follows:

1. How is the influence of leadership to the quality of employee in the production at PDAM of Surakarta?
2. How is the influence of employee benefit to the quality of employee in the production at PDAM of Surakarta?

D. Objective of the Study

Dealing with the problem statement above, the purpose of the study are as follow:

1. To analyze influence for employees to work in the leadership in the production at PDAM of Surakarta.
2. To analyze the benefit for the employees to work in leadership in the production at PDAM of Surakarta.

E. Benefit of the Study

The study of the work of leadership and employee benefits to the quality of employees in production has several benefits there are:

1. Theoretical Benefit

- a. To give some information which can be used by the other researchers who are interested in analyzing this work. The other researchers can analyze about leadership and employee benefit to the quality of employees in the production in other company.
- b. To give a contribution to other research especially in the study at PDAM of Surakarta.

2. Practical Benefit

- a. For getting deeper understanding about leadership and employment in PDAM of Surakarta.
- b. To enriches the study, particularly among the students especially on Muhammadiyah University of Surakarta.