

CHAPTER I

INTRODUCTION

1.1 Research Background

Indonesia is a country located off the coast of the mainland of Southeast Asia in the Indian and Pacific oceans. Indonesia located across the Equator and spans a distance equivalent to one-eighth of earth circumference. Two-thirds of Indonesia's territory is water. This characteristic resulted in Indonesia to depends heavily on maritime transportation for domestic and international trade, and also for moving between one island to another island.

Indonesia's dependency on maritime transportation is a big opportunity for Indonesia's maritime transportation. However, there are many threats faced by Indonesia maritime transportation. It includes other public transportation such as airplanes due to the fact that airplanes have similar purposes as maritime transportation. However, the biggest threat of maritime transportation comes from government project which is street and bridge developments.

Indonesia's government initiative on street and bridge will have an impact on maritime transportation demand, especially bridges that connect two islands. One of the famous bridges that connects two islands in Indonesia is Suramadu. Suramadu is a cable bridge that connects Surabaya with Madura, which opened in June 2009.

According to Agusman, The Chief Supervisor of PT Angkutan Sungai Danau dan Penyeberangan (ADSP) “Suramadu has a big impact on the ferry industry and the demand has decreased a lot”. Before Suramadu existed, there were around 16 ferry ships that operated. However currently, there are only three ferry ships that connect Surabaya and Madura.

PT. Dharma Lautan Utama is a private national ferry company that was founded in Surabaya. PT. Dharma Lautan Utama is led by Erwin Haricahyo Poedjono. This company has a motto “We Serve The Nation”. The meaning of this motto is to support Indonesia's economic development to make sure that people can reach prosperity. “Dharma” means total devotion to people and nations, while “Lautan Utama” shows that the ocean is the main component of PT. Dharma Lautan Utama Business.

PT. Dharma Lautan Utama has more than 40 ships, with two types of shipping routes which are short and long. The short route includes Merak to Bakauheni and Ketapang to Gilimanuk. While long route includes Java to Kalimantan and Java Sulawesi. In total, there are 41 routes with 24 hours operating hours. In order to give excellent services, PT. Dharma Lautan Utama always improves human resources, by giving continuous systematic training. Since 2013, PT. Dharma Lautan has been awarded by the government as the best ferry company.

Employees are the key to PT. Dharma Lautan Utama. Without employees, the organization won't survive and won't achieve its mission and vision. Because of it, companies need to make sure that employees can contribute and perform well in the organization. Employees that do not get any supports from organization and needs do

not get fulfilled, usually prefer to leave the organization. Usually, employee turnover started with their own willingness or intention, because there is a strong relationship between those two.

Employees' intention to leave is the result of individual evaluation about their relation with organization however they have not shown it yet. Companies need to make sure that their employees do not leave, as high turnover will have a negative impact on the companies. Turnover can cost employers 33 percent of an employee's annual salary (Hall, 2019). According to Memon *et al.* (2014), employee turnover is very costly since it requires an organization to invest a significant amount of its resources to recruit, interview and train new employees. Besides that, increasing competition among firms has made companies struggle to acquire and retain valuable workforce (Kaur, 2017).

In order to remain in a very competitive environment, PT Dharma Lautan needs to depend on their employees and make sure that their employees are committed to the company. However, every job has different responsibilities, depending on the profession and position. Job responsibility here includes work overload, working time, and extra activities. Working in PT. Dharma Lautan means high responsibility, as the company does service for 24 hours. Besides that, employees also responsible to make sure that the ships are safe as the companies take care of people's life.

Apart from job responsibility, there are several risks that are faced by employees such as safety and human error. Human error has been one of the most used explanations for accidents in both the maritime industry and other industries. While

other industries have managed to search for the underlying causes of the problem, the maritime industry appears to be lagging behind and still blame the individual operator on too many occasions (Relling, 2018). Besides that, there is also unpredicted risk such as environmental disaster that cannot be mitigated by employees.

Responsibility and also risks that are faced by employees can reduce their performance. This leads to an uncommitted attitude toward their organization; exacerbates the rate of absenteeism; and increases employee turnover resulting from burnout (Djafri & Noordin, 2017). Employees that are not committed to the organization often cannot improve the performance of the company. As a consequence, this leads to a reduction in productivity and employees will leave the organization. Hence, a key concern of PT. Dharma Lautan Utama should be how to motivate employees to be more committed to the company.

In order to improve organizational commitment, managers can use a new method called spirituality movement (Karakas, 2010). Spirituality movement is a method that is used with the intention to be mind-enriching, heart-fulfilling, and spirit-growing. Workplace spirituality is not a new movement, as it began in the 1920s. Organizations that promote a spiritual culture recognize that employees have both a mind and a spirit, seek to find meaning and purpose in their work, and desire to connect with other employees and be part of a community.

High work spirituality means higher performance and commitment. According to Karakas (2010), when employees feel involved within a richly spiritual organizational climate, they become more effectively attached and loyal to their

organizations and act in a more engaged and collaborative manner . Spirituality exercises a significant impact on personal attitudes and behaviours and can play a major role in overcoming the problems that may face organizations such as lack of job satisfaction, poor work performance, and lack of organizational commitment (Djafri & Noordin, 2017). If organizations can support employees' work spirituality, then employees will perform better and more committed to the organizations.

Based on the background problems above, it is important to analyze the impact of workplace spirituality on organizational commitment in PT. Dharma Lautan Utama. This research will help to understand the impact of workplace spirituality on organizational commitment in PT. Dharma Lautan Utama.

1.2 Research Questions

This study will examine the impact of employees work spirituality on organizational commitment. There are three questions that is used as guidance to develop this study. From the explanation about the background above, the problem identifications are:

1. Does meaningful work have a positive effect on the employee organizational commitment?
2. Does a sense of community have a positive effect on the employee organizational commitment?
3. Does alignment with organizational values have a positive effect on the employee organizational commitment?

1.3 Research Scope

In order to make it more specific and focused, the research is conducted specifically for employees of PT. Dharma Lautan Utama. Researcher would like to avoid things that are not suitable for the research by limiting purpose that will only matter in this research:

1. The term work spirituality used in this research refer to the desire to find one's ultimate purpose in life, develop a strong connection with either co-workers or other people associated with work, and be consistent with one's core beliefs and the values of their organization (Denton & Mitroff, 1999). There are three core dimensions of work spirituality that is used in this research: meaningful work, having a sense of community, and being in alignment with the organization's values (Milliman et al., 2003).
2. The term organizational commitment used in this research refer to the strength of an individual's identification with and involvement in a particular organization (Porter et al., 1974).

1.4 Research Objectives

Based on problem identification that has been stated above, this research aims to:

1. To examine whether meaningful work has a significant and positive effect on the employee organizational commitment.

2. To examine whether a sense of community in the workplace has a positive effect on the employee organizational commitment.
3. To examine whether alignment with organizational values has a positive effect on the employee organizational commitment.

1.5 Research Significant

This research would be beneficial to several related parties:

1. For Practical Implication

This research will give information regarding work spirituality of employees that can affect their organizational commitment. Company can improve employee commitment by improving their work spirituality.

2. For Other Researchers

Other researchers could utilize this research to extend their knowledge or as reference for suitable purpose.

1.6 Structure of The Thesis

This research divided into five chapters:

CHAPTER I: INTRODUCTION

This chapter will describe the contents such as: background, problem identification, and research study.

CHAPTER II: LITERATURE REVIEW

This chapter will describe about the theories that related with the title of the research. Theory that be used consist of work spirituality and organization commitment.

CHAPTER III: RESEARCH METODOLOGY

This chapter will describe the methodology of the research that consist of: research location, data collection method, variable, and data analysis method.

CHAPTER IV: DATA ANALYSIS

This chapter will reveal the result from data analysis and the interpretation of it using chosen analytical tools.

CHAPTER V: CONCLUSION AND MANAGERIAL IMPLICATIONS

This chapter will include conclusion, research limitations, managerial implications and suggestion for future research.