

1 INTRODUCTION

1.1 Research Background

Employee is an important asset for the company. Therefore, companies need to be very attentive to their human resource. There has been evidence of positive impact of Human Resource Management (HRM) on organization's performance (Beardwell & Thompson, 2017). According to Bititci (2015), employees do things that leads to good or deficient performance results. Organizations must make sure their employees have the ability to perform their job well. With that being said, organizations need to manage the performance of their employee to make sure their organizations perform well. Performance management is very crucial for organizations, define as all organizational processes that discover and control how well employees' work (Kleynhans, 2006). Rynes et al. (2000) as cited in (Cooper, 2000) argue that in performance management, it is incredibly challenging to evaluate employee's performance and make it efficient. It is essential for organizations to be sensitive towards factors that affects it.

There are a lot of factors that influence performance, such as job satisfaction, organizational commitment, organizational justice (Lumen, 2020); organizational citizenship behaviour (Muzakki, et al., 2019). Some research also showed that work performance can be influence by subjective well-being. Past research has provided evidence that employee subjective well-being has positive influence on performance (Watanabe et al., 2020). Subjective Well-

being can be known as normally positive state of mind that involves the whole life experience (Cummins et al., 2019).

Subjective well-being is crucial not only because it affect individual work performance but also ultimately affects corporate performance (Watanabe et al., 2017). Thus, companies have tried gain knowledge to enhance employee well-being for the sake of greater organization's performance (Watanabe et al., 2020).

PT. Kereta Api Indonesia (PT.KAI) is one of those companies that have gain the knowledge of the importance of employee well-being. As stated in their news publication (PT. KAI, 2022), with good well-being, employees can provide maximum performance which leads to achieving company goals. The importance of this matter has been in their radar since Ignasius Jonan became their director back in 2009. The combination of discipline enforcement with employee's well-being improvement has transformed the company loss of Rp 83 billion in 2008 into a profit of Rp 154 billion on the first year (PT. KAI, 2009). Since then, the company has been continuously paying close attention to their employee well-being.

Pegawai	Gaji Pokok	Tunjangan Pasangan	Tunjangan Anak	Tunjangan Beras	Tunjangan Hari Raya	Tunjangan Tambahan Penghasilan	Imbalan Keberhasilan Kinerja Operasi
EVP	v	v	v	v	v	v	v
VP/GM/SM	v	v	v	v	v	v	v
Manager (M)	v	v	v	v	v	v	v
Junior Manager(JM)	v	v	v	v	v	v	v
Assistant Manager(AM)	v	v	v	v	v	v	v
Sr. Supervisor(SS)	v	v	v	v	v	v	v
Supervisor(S)	v	v	v	v	v	v	v
Junior Supervisor/JS	v	v	v	v	v	v	v
Officer (OFC)	v	v	v	v	v	v	v
Pelaksana	v	v	v	v	v	v	v
PKM	v			v	v	v	v
PKWT					v	v	v
PKWT Expat					v	v	v
Diperbantukan ke Anak Perusahaan	v	v	v	v	v		v
Pegawai TNI/POLRI yang dipekerjakan di KAI					v		v

Figure 1. 1 KAI's Financial compensation components

Giving employee benefit is one of their ways to manage employee subjective well-being. A study by Hartanti (2017) showed that employee benefit has a positive and significant effect on subjective well-being. KAI provide 18 different financial benefits for its employee other than basic salary. Figure 1.1 shows 6 out of 18 benefits that they provide namely spousal allowance, child allowance, rice allowance, holiday allowance, additional income allowance, reward for successful operational performance. These benefits encourage employees to perform better which resulted in higher job performance.

With that reason, the researcher chose PT. KAI as the object of this research. This research discusses the influence of subjective well-being on job performance. The research aims to investigate the influence of subjective well-being on work performance in PT. KAI Daop 6 Yogyakarta.

1.2 Research Questions

- 1) Does subjective well-being positively influence employee performance in PT. KAI Daop 6 Yogyakarta?

1.3 Research Objectives

- 1) To analyse whether subjective well-being influence employee performance in PT. KAI Daop 6 Yogyakarta.

1.4 Research Benefits

1.4.1 Academic Benefit

- a. Provide evidence of the influence of subjective well-being on employee performance in PT. KAI Daop 6 Yogyakarta.
- b. Provide additional reading and references for future research about subjective well-being and employee performance.

1.4.2 Practical Benefit

- a. Provide insights for PT. KAI Daop 6 Yogyakarta on factors that can be improved, especially on employee subjective well-being as an attempt to improve employee performance.

1.5 Writing Organization

The systematics of writing in this proposal is divided into five chapters, in which the discussion between one chapter and another is

interrelated and linked. In this research, the writing organization is as follows:

Chapter 1 Introduction

In this chapter, the researcher writes regarding the background of the study, research questions, the objectives of the research, benefits of the research, and lastly the writing organization.

Chapter 2 Literature Review

In this chapter, the researcher writes about theoretical background of the study which consist of the definition of subjective well-being, the components of subjective well-being, and the definition of job performance, the framework of the research, prior research, and lastly hypothesis development.

Chapter 3 Research Methodology

In the third chapter, the researcher writes regarding place and time of the research; the subject of the research; the definition of the variables; the instrument of the test, namely validity test, reliability test, hypothesis test, simple linear regression; and lastly the research limitation.

Chapter 4 Result and Discussion

In this chapter of the research, the researcher writes regarding the result of the research as well as the discussion regarding the findings.

Chapter 5 Conclusion

In this chapter, the researcher writes the conclusion of the research, managerial implications, and suggestions for future research.

