SUMMARY

BASUKI RAHMANTO. The Influence of Informal Relationship in the Workplace toward the Employee Performance of PT Asia Trade Logistics. Supervised by SRI HARTOYO and SADIKIN KUSWANTO.

In organization or company, usually there are two kinds of relationships; formal and informal. A formal relationship reflects the established job position and function, carrying specific roles and responsibility as displayed in the organization structure. Informal relationship on the other hand, is not written nor explicitly established. It is often formed subjectively, mostly through common individual traits and personal interests. Both types of relationships need to be exercised in balance. Emphasizing too much on the formal side tends to create monotone, routine work environment. Boredom and motivation issues may start to create bigger issues, as the basic needs to socialize is suppressed.

The objective of this research is to identify and explore the effect of informal work relationship to the employee performance of PT Asia Trade Logistics. The idea underlying the research is that the formal relationship at workplace when supported by good informal relationship will make the employees feel more enjoyable, comfortable and happy in their working environment. A good mood and working environment will increase working motivation and satisfaction among employees. It also leads to more effective team-works. Satisfaction towards working environment and teamwork will improve the working loyalty of the employees which in turn will improve their working performance as well.

The research was held in the PT Asia Trade Logistics in South Tangerang, Indonesia for three months, from January to March 2013. This research uses descriptive survey design. Samples are gathered by census covering 73 employees as respondents. The technique of data analysis uses Structural Equation Modeling with Partial Least Square mode, using SmartPLS software version 2.0. The reason for using this method is, PLS has its own advantages include: data doesn't have to be a normal multivariate (indicator with a scale category, ordinal, interval and ratio can be used on the same model), the sample size should not large and the model should not be supported with a strong theory as well as SEM-based covariance represented by software AMOS and LISREL.

The results of the research shows that the informal relationship at workplace have positive and significant effect toward the employee performance through the intervening variables of working motivation, working satisfaction, loyalty and teamwork. The most dominant influence of informal relationships in the workplace is against the job satisfaction and job satisfaction influence job loyalty, and loyalty work affect the performance of the employees. Furthermore, from this
research we confidently would recommend several points. First, the management of the organization needs to nurture activities that are supporting informal relationship to grow. Second, there needs to be channels or facilities to allow employees to interact with one another, encouraging healthy and balanced work relationship; while still delivering the work deliverables.

The implications of this research result against of science is that formal approach in an organization or company is not everything. The study and teaching of management in particular human resources management should inster the matter in informal relationship as a topic that needs to be addressed more seriously, not only emphasize on the aspects that are purely formal. Companies not only need employees who are high achieving, but also required a high loyalty. Employee loyalty proved to be more influenced by informal relationship.

Keywords: informal relationship, working motivation, working satisfaction, team-work, working loyalty, employee performance.