

CHAPTER I

INTRODUCTION

A. Background of the Research

Indonesia is an industrial country where every activity involves many departments to run the company. One of it is the finance department. The financial sector is a very crucial. Many Companies have a great deal of attention in financial fields because uncertain economic conditions can lead corporate to bankruptcy. Therefore, each company must observe the performance of the company so that it can continue to grow and develop rapidly. Herispon's 2018 study found following:

Discussing financial management issues, cannot be separated from the problem of management and money, because management means to organize and regulate, while what is regulated is everything related to money that can be applied starting from the lives of individuals, households, groups, organizations, companies and countries, because life in each of these segments will always relate to money to achieve companies' desires and goals. In general, financial management can be interpreted to regulate and organize all sources and uses of finance for the progress and goals of the company (p. 6).

The finance department is management of financial functions. These financial functions include how to obtain funds and how to use these funds. Companies that have specific goals among others are maximize shareholder welfare, maximize profits, maximize commitment to imbalance to management, and accept social responsibility (Zulhawati and Rofiqoh, 2014, p. 1). Financial managers have an interest in determining the amount of appropriate assets from investments in various assets and the selection of

sources of funds to finance these assets. To obtain funds, financial managers can get it from inside and outside the company. In order to make decisions in the future, the company needs useful information to both internal and external parties, especially information about what might happen in the future.

Financial statements are one of the important sources of information and media used by company managers in the decision-making process. Paramasivan and Subramanian (2009) stated “Financial statements are the summary of the accounting process, which, provides” (p. 11). The company's financial statements are usually issued periodically can be annual, semester, quarterly, monthly or even daily. These financial statements have become the needs of entrepreneurs, investors, banks, management, government and capital market players. Financial statements are historical, which provide information about what has happened, so that there is a gap in information needs. Financial statement analysis is used to help overcome this gap, by reprocessing financial statements; so that it can help decision makers make predictions. Information obtained from financial statements is very important in knowing the financial position, results achieved and failures received by the company. Therefore, analysis of financial statements is very important in determining something that will be done in the next period. Company performance is the result or benefit of the company Operations on the funds used by the company. Therefore, it can be known the size of the assessment to the extent of the effectiveness and efficiency of the company performance which can also provide benefits to investors and describe the performance of

the management. The company's financial Performance is part of management's performance.

Financial performance can be related to the notion of management performance, namely a measure of efficiency and effectiveness in the management of invested funds in order to provide maximum profit for managing companies and investors. It also aims for investors to obtain results in the form of dividends or part of the company profits distributed. Based on the descriptions, the author is interested in analyzing the department of finance in PT. Digital Network Aestetik. The title that the author wants to take is "Jobs Description of Finance Department in PT. Digital Network Aestetik".

B. Research questions and Scope of the Problem

1. Research question

The formulations of the problems in this study as follows:

- a. What are the obstacles during the research?
- b. How to solve the obstacles during the research?

2. Scope of the Problem

This research focuses on performance and activities in the finance department at PT. Digital Network Aestetik, where the finance department's working relationship includes the marketing department, the client's financial department and with tax workers.

Accounting records includes the financial information of the business concern and finance department evaluates the requirement of manpower to each department and allocate the finance to the human resource department as wages, salary, remuneration, commission, bonus, pension, etc.

C. The Objective and the Significance of the Research

1. The objectives to be achieved in this study are:

- a. To Know the obstacles during the research
- b. To Find out how to solve the obstacles during the research

2. The Significance of the Research

The results of this study are expected to be useful as follows:

a. For Researcher

It is expected to be able to add insight and knowledge of researchers in the real world of work and can better understand the work concept of the finance department in the company in depth.

b. For readers

In order to be able to add better information to readers and as a reference for researchers who are interested in making research in the same field.

c. For the company under study

In order to be an input for companies in formulating policies and further actions related to the use of financial statement.

D. The Operational Definition

In order for this research to be carried out as expected, it is necessary to understand the various elements that form the basis of scientific study contained in the operationalization of research variables. In more detail, the operationalization of research variable is as follows:

1. Finance Manager

According to Paramasivan and Subramanian (2009), "Finance manager must have entire knowledge in the area of accounting, finance, economics and management. His position is highly critical and analytical to solve various problems related to finance." (p. 8).

2. Position Statement

A balance sheet or statement of financial position is a part of an entity's financial statements produced in an accounting period that shows the entity's financial position at the end of that period.

3. Analysis and Techniques

Comparative analysis is an analytical technique that is carried out by making comparisons between the same elements (financial statements) for several consecutive periods. This aims to obtain tendencies in each element of financial statements in the future.

4. Funds Flow Statement

It is a statement showing various items changing in working capital. It shows inflows and outflows of funds. Therefore, it is also called as statement of sources and uses of funds.

5. Cash flow Statement

Cash flow statement is a part of the financial statements of a company that is produced in an accounting period that shows the inflow and outflow of money (cash) of the company. Cash flow information is useful as an indicator of the amount of cash flow in the future, and is useful to assess the accuracy of the estimated cash flows that have been made previously and also become a tool for accountability for cash inflows and outflows during the reporting period.

E. Research Methodology

Research methodology is a way to systematically solve the research problem (Khotari, 2004, p. 8). About research is a branch of science that discusses and questions about ways to conduct research to compile reports based on facts or symptoms scientifically.

The researcher used qualitative research methods. The purpose of this study is to discuss the phenomena or facts that occur in the finance department at DNA Production by focusing on a complete description of the phenomena studied from detailing them into interrelated variables. In contrast to quantitative research, the procedure for submitting data and the types of qualitative research are also different.

F. The Systematic of the Paper

The writer decided to write this scientific paper in five chapters where make the writer easier in doing this task and very well edited composition. These chapter as follows:

Chapter I is Introduction. This first chapter describes background of the research, scope of the research, question of the problem, objective of the research, the significant of the research and the systematic of the paper about financial management.

Chapter II is Theoretical Description. This second chapter describes several scientific theories and other findings that are considered necessary and relevant to the subject matter each theory quoted must be accompanied by an explanation and comments from the author about the relation of the theory to the problem. Whereas at the end of all the theories cited, the author must bring up a conclusion related to the problem.

Chapter III is Company Profile. This third chapter describes about the company's profile place of observation that includes sub-topics such as company history, organizational structure and procedures.

Chapter IV is Report of Observation Findings. This fourth chapter tells the result of the observation and the report answer of the answer consist knowledge and various definition, the obstacles and problem solving during the research in PT. Digital Network Aestetik.

Chapter V is Conclusion and Suggestion. This last chapter contains the conclusions from the discussion research. In this chapter contains the suggestions addressed to the company and reader.