

Exploring the Role of Incentives and Motivation in Enhancing Employee Performance

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Abstract. *The problem in this study is whether incentives and motivation affect employee performance. This research is motivated by the importance of the role of each employee in the company. Therefore, companies need to increase their attention to the quality of their employees, both in terms of the quality of knowledge and skills, careers and welfare levels. Employee performance will be greatly influenced by several factors, both those originating from workers and those from the company. As a form of remuneration for the company for the performance of its employees, it is necessary to provide rewards in the form of incentives. The purpose of this study was to determine whether the incentives and motivation given to employees affect employee performance. This research method uses quantitative methods by using data collection techniques and distributing questionnaires then the results of the research are analyzed using the SPSS application. This research was conducted at PT. Tasindo Central Perkasa..*

Keywords: *Incentives, motivation, employee performance*

I. INTRODUCTION

In carrying out their work, employees produce something called performance. Employee performance is the result of employee work during a certain period. Of course, in the assessment, it still considers the circumstances and considerations that affect the performance. According to Mangkunegara (2011, p. 67) states that "The definition of performance (performance achievement) is the result of work in terms of quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him". Low employee performance in work, this can be seen that employee performance is still not in accordance with the expectations of the leadership.

Motivation is an important factor in improving employee performance, where motivation will have a positive impact on employees. Motivation is a state of mind and mental attitude of humans that provides energy, encourages activities and directs or channels behavior towards achieving needs that provide satisfaction or reduce imbalance. Therefore, motivation can be interpreted as a process of coaching, developing and directing human resources in a company (Sinungan page: 134).

Based on the observation results, it was found that the incentives given by PT. Tasindo Central Perkasa to employees, especially the marketing division, were not evenly distributed, not all employees could get incentives and the amount of incentives obtained by each employee also differed depending on the position, performance produced and the calculation system.

Based on the above rationale, the author is interested in researching specifically the influence of incentives and motivation on employee performance. Therefore, the author chose the title "THE EFFECT OF INCENTIVES AND MOTIVATION ON EMPLOYEE PERFORMANCE (At PT. Tasindo Central Perkasa, Tanggulangin District, Sidoarjo Regency)".

Relevant Previous Research

Research conducted by Nanang Yogi Anggoro Putro (2017) entitled the influence of motivation and work discipline on the performance of outsourcing employees (study at the outsourcing service provider company PT. ASH Madiun Branch). The results of this study indicate that motivation, work discipline have a positive and significant effect on employee performance.

Research conducted by Diska Amalia (2017) entitled the influence of incentives on employee performance with job satisfaction as an Intervening variable on hotel employees in Bandar Lampung. The results of this study indicate that incentives have a significant effect on job satisfaction and employee performance. The significant effect of incentives on employee performance is mediated by job satisfaction.

Research conducted by Zulvita Rahma Yunia (2019) entitled the influence of employee wages and incentives on employee performance at UD. Sari Murni, Boyolangu District, Tulungagung Regency. The results of this study indicate that employee wages and incentives have a significant positive effect on employee performance at UD. Sari Murni in Tulungagung.

Theoretical Basis

1. Definition of Incentive is the need of employees as individuals can be material and non-material, the problem of this need can be a motivator for humans to work or can cause employees to be more enthusiastic in doing their work by expecting to get a reward from the company to meet their needs. One of the rewards that are usually given by companies is incentives. Incentives are one of the awards that are associated with work performance. The higher the work performance, the higher the incentive given. Providing incentives is beneficial for both the company and the employees.
2. Definition of Motivation According to Sutrisno (2012, p. 110) "Motivation is a factor that drives someone to do a certain activity, therefore motivation is often interpreted as a factor that drives someone's behavior" from the definition above it can be seen that motivation functions as a movement or driver for employees to be willing to work hard in order to achieve company goals. Not only expecting employees to be capable, competent and skilled but they can work hard and want to achieve maximum work results, employee abilities and skills are very useful for the company if they want to work well.
3. The meaning of employee performance is that in carrying out their work, employees produce something called performance. Performance is the result of an employee's work during a certain period which has been determined in advance and has been mutually agreed upon. According to Mangkunegara (2011, p. 67) states that "The meaning of performance (performance achievement) is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him.

II. RESEARCH METHOD

Type of Research

The purpose of this study is to determine whether there is a relationship or influence between the independent variables and the dependent variables. The type of research used is quantitative research. In this case, the subjects studied are

employees at PT. Tasindo Central Perkasa and the object studied is PT. Tasindo Central Perkasa.

Research Data

According to Sugiyono (2014:223) in Ardiansyah (2019) research data based on data sources, data collection can use primary data sources and secondary data sources. Primary data sources are data sources that directly provide data to data collectors. While secondary data sources are data sources that do not directly provide data to data collectors, for example through other people or documents. Primary data was obtained from the results of distributing questionnaires to employees at PT. Tasindo Central Perkasa. While secondary data was obtained from the company in the form of documents from data related to the research.

Research Variables

According to Sugiyono (2014:96) in Ardiansyah (2019) a variable is "an attribute or trait or value of a person, object or activity that has certain variations determined by researchers to be studied and then conclusions drawn". In this study there are three variables, namely incentives, motivation and employee performance.

Research Population and Sample

1. Research Population

Population is a generalization area consisting of subjects or objects of research that have certain qualities and characteristics that can be determined by researchers to be studied and then conclusions can be drawn (Sugiyono, 2015) in Merry (2019). From the opinion above, the population used in this study were employees at PT. Tasindo Central Perkasa totaling 25 people.

2. Research Sample

According to Sugiyono (2010:81) in Ardiansyah (2019), a sample is part of the number and characteristics of the population. The sample taken is the entire population, namely 25 people.

Research Site

In conducting this research, the research location is PT. Tasindo Sentral Perkasa which is located on Jalan Raya Kludan No. 15 A, Tanggulangin District, Sidoarjo Regency.

Research Time

The research period was carried out from February 2020 until completion.

Data Analysis Technique

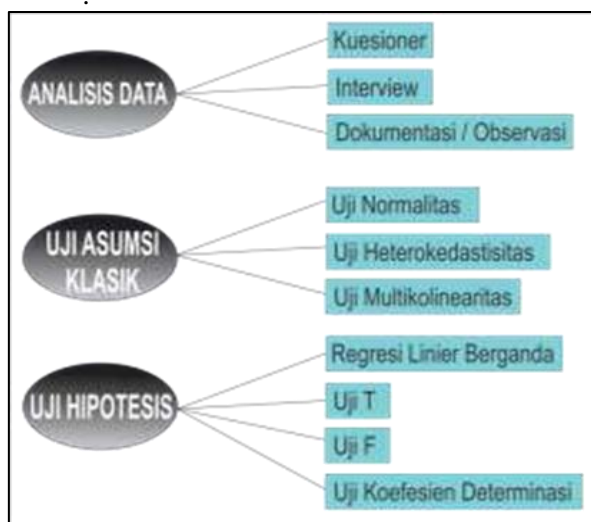


Figure 1. Data Analysis Technique Chart

III. RESEARCH RESULT AND DISCUSSION

Result

Brief History of the Company

PT. Tasindo Central Perkasa is a bag and suitcase company located in Tanggulangan Sidoarjo, and was established in January 2003, PT. Tasindo Central Perkasa has become a rapidly growing bag company with good support and cooperation from relations / customers. Currently PT. Tasindo Central Perkasa has collaborated with various government and private agencies, universities and other educational institutions, several large travel in Surabaya, outside the city and outside the island.

Data Presentation

1. Questionnaire

From the results obtained from the profile contained in the questionnaire, it can be seen about the characteristics of the respondents in this study. These characteristics include. male respondents amounting to 15 people (60%) and female respondents amounting to 10 people (40%). that employees aged 20-29 years there are 12 people (48%), aged 30-39 years there are 7 people (28%), aged 40-49 years there are 5 people (20%), aged 50-59 years there is 1 person (4%). for the last education there are 10 people (40%) for S1, 3 people (12%) for D3. 7 people (28%) for SMK and 5 people (20%) for SMA.

2. Interview

From the results of the interview above, some information was obtained in the incentive calculation system, rights obtained by employees to employee performance.

3. Observation and Documentation

The observation here is only limited to supporting information in the form of photos during the interview, the production process and the existence of the company that the researcher did to document and find out the condition of employees at PT. Tasindo Central Perkasa

Research Result

1. Normality Test

The results of the normality test show that the data is spread around the diagonal line and follows the direction of the diagonal line. Therefore, it can be stated that the data in these variables are normally distributed.

2. Multicollinearity Test

The results of the multicollinearity test show that the incentive and motivation values are <10 , so it can be concluded that there is no multicollinearity

3.

4. Heteroscedasticity Test

The results of the heteroscedasticity test show that the points are spread randomly and do not form a clear pattern and are spread both above and below the number 0 on the Y axis, this means that there is no heteroscedasticity in the regression model, so the regression model is suitable for use for independent variables and dependent variables.

Data Discussion

1. The Effect of Incentives on Employee Performance

a. Multiple Regression Analysis

The incentive regression coefficient (X1) shows a positive sign of 0.146, meaning that every 1 increase in the value of the Incentive variable will decrease the employee performance ratio by 1%.

b. t-Test Analysis

The results of the study indicate that the provision of incentives has a significant and positive effect on Employee Performance at PT. Tasindo Central Perkasa has a significant effect where every increase or decrease in employee productivity.

c. f-Test Analysis

The results of the study indicate that it can be seen that the F count is 6.970 and with a significant value of 0.005, because the significant value is less than 0.05 it can be said that there is no significant effect

between the incentive and motivation variables on employee performance.

d. Coefficient of Determination

The coefficient of determination (R^2) essentially measures how far the model's ability to explain variations in the dependent variable.

The coefficient of determination value is between zero (0) and one (1). A small R^2 value means that the ability of the independent (free) variables to explain the variation of the dependent variable is very limited.

2. The Effect of Incentives on Employee Performance

a. Multiple Regression Analysis

The motivation regression coefficient (X_2) shows a positive sign of 0.532, meaning that every 1 increase in the motivation variable will decrease the Y variable, and will increase the motivation ratio by 1% and decrease the probability of employee performance

b. t-Test Analysis

The results of the study indicate that the provision of Motivation has a significant and positive effect on Employee Performance at PT. Tasindo Central Perkasa has a significant effect where every increase or decrease in employee productivity.

c. F-Test Analysis

The results of the study indicate that the calculated F is 6.970 and with a significant value of 0.005, because the significant value is less than 0.05

It can be said that there is no significant effect between the incentive and motivation variables on employee performance.

d. Determination Coefficient

The determination coefficient (R^2) essentially measures how far the model's ability to explain the variation of the dependent variable.

The determination coefficient value is between zero (0) and one (1). A small R^2 value means that the ability of the independent (free) variables to explain the variation in the dependent variable is very limited.

Hypothesis Testing

1. The effect of giving incentives on towards employee performance at PT. Tasindo Central

Perkasa Sidoarjo. Employee Performance at PT. Tasindo Central Perkasa. The results of the study indicate that the provision of incentives has a significant and positive effect on employee performance at PT. Tasindo Central Perkasa. Significantly influential where every increase or decrease in the provision of incentives will have an impact on the increase or decrease in employee performance.

2. Knowing the effect of providing Motivation on Employee Performance at PT. Tasindo Central Perkasa. The results of the study are that the provision of motivation has a significant and positive effect on employee performance at PT. Tasindo Central Perkasa. Significantly influential where every increase or decrease in the provision of motivation will have an impact on the increase or decrease in employee performance. The results of this study also show that the provision of motivation is one of the variables that influences employee performance at PT. Tasindo Central Perkasa.

IV. CONCLUSION

From the results of the study, data analysis and discussion in the previous chapters, the following conclusions can be drawn:

1. The provision of incentives simultaneously affects employee performance at PT. Tasindo Central Perkasa Sidoarjo. The provision of incentives has a positive and significant effect on employee performance. The provision of incentives is the strongest variable among other variables in this study.
2. The provision of motivation is also a variable that has a positive and significant effect on employee performance at PT. Tasindo Central Perkasa Sidoarjo.

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Diakses tanggal 13 Juli 2014