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The Influence of Giving Incentives to Employee Performance in PT. Adira Dinamika Multifinance Tangerang

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Abstract

Incentives are one component of compensation. Providing incentives is given to motivate the workforce to improve employee performance. The purpose of this study was to determine the effect of providing incentives on employee performance at PT. Adira Dinamkia Multifinance Tangerang. The study uses quantitative descriptive analysis with methods of observation, documentation and questionnaires. The author in determining the sample using a saturated sample with the Slovin formula so that the results obtained were 37 respondents, the distribution of questionnaires using a Likert Scale. The data analysis technique uses correlation coefficient, determination coefficient, regression equation, then the authors process the data using SPSS application version 26. Based on the calculation of the correlation coefficient obtained by 0.671 where the amount of there is a strong relationship between providing incentives to employee performance at PT. Adira Dinamika Multifinance Tangerang. From the results of the calculation of the coefficient of determination can be seen that the provision of incentives affects employee performance by 45% and seen from the regression equation formed Y = 13,668 + 0.695 X this shows that there is a positive influence between giving incentives to employee performance. Then it is necessary to increase the provision of incentives to the maximum to improve employee performance.

Keywords: Incentives, Employee Performance

1. Introduction

Organization is one of the most important achievement factors in human resources, in an organization Human resources are one of the keys that determine the development of the organization / company. In general, one of the most important functions in the development of a company is human resources. Without human resources, all duties and services of the company to obtain certain compensation or compensation will cease.

Every workforce of an organization / company has its own goals and interests when starting to work with a company. Work is the only reason to get money to meet the needs of everyday life. In the community environment a person will be more valued if he has a job compared to people who do not have a job. In a company, usually the company's leadership will pay attention and compensation

to each employee that aims to achieve corporate harmony, in a compensation there are several components, one of which is incentives. Incentives are given to stimulate or encourage workers to be more responsible for their performance. Incentives can be given to employees through various forms, which can be in the form of money, attention, a good work environment and participation.

In a company, employees will perform their duties and functions properly. With good performance, employees can finish work on time according to the target. The speed of completion of the work makes employees get incentives. The incentives given to employees aim to encourage employees to work with optimal abilities, and the incentives given to employees constitute extra income beyond the salary received by the employee each month.

2. Literature Review

Incentive

According to (Sutrisno, 2013) explained that the understanding of incentives is an additional reward given to employees who excel in a company. Incentives are used as a compensation tool. Meanwhile according to (Sihombing, Sarinah, 2015) Simamora (2004) states that "Incentives (incentives) are a compensation related to payments with productivity carried out by employees in an organization / company. The Incentive Program aims to provide reciprocity in the form of payments for employee performance provided directly and aims to influence and motivate employees to be more active in their work "(Candrawati, 2013).

The purpose of giving incentives according to (Sihombing, Sarinah, 2015), namely:
a. To reward employees who have performed well.
b. To provide responsibilities and encouragement to employees.
c. To focus employees in achieving organizational / company goals.
d. To weigh the efforts of employees through their performance.
e. To increase individual and group work productivity.

Meanwhile, according to (Zainal, 2015) the provision of incentives aims to provide responsibility and encouragement to employees in order to improve the quality and quantity of their work. As for companies, the purpose of providing incentives is one of the strategies in increasing productivity and employee performance in the face of increasingly fierce company efficiency competition and making productivity very important.

There are several dimensions that will be explained by the authors based on the results of research at PT. Titian Kencana Raya, namely:
a. Extra Income
   Namely Incentives obtained outside of wage / salary income received by employees of the company.
b. Ability
   Namely incentives given to employees based on the ability of employees to work
c. Productivity
   Namely the incentives received by employees based on the suitability of the productivity of employees
d. Work performance
   Namely the incentives provided by the company based on employee performance in doing work at the company.
There are two types of incentives that I will describe in (Lestari, 2019), namely:

1. Material Incentives
   a. Money
      Namely the incentives given to employees which include:
      - Bonus: incentives paid based on completion of work done
      - Commission: paid based on good work results, giving commissions are usually related to sales.
      - Profit sharing: Distribution of profits based on net income deposited into a fund, and included in the list of employees.
   b. Social Security
      In this type of incentive can also be a guarantee that is generally given collectively, without any competitive or competitive elements and all get the same social security. These incentives include:
      - Provision of official housing
      - Treatment for free
      - Geratis magazine subscription facilities
      - Sick leave and childbirth still get a salary
      - Providing education and training
2. Non-Material Incentives
   This incentive is usually given in various forms which include:
   a. Official title award
   b. Providing compensation
   c. Awarding an award certificate
   d. granting promotion position

According to Suwatno and Doni (2016: 236-237) the factors are affecting the amount of incentives, namely:
1. Position and Performance
   Someone who occupies a position or a higher position in the company and is responsible for the work environment, the company automatically sees how much incentive should be given to the employee.
2. Job Performance
   Employees who have good work performance in the company, the company must take into account the incentives that will be given to these employees.
3. Company profit
   Namely the incentives given because employees have provided great benefits for the company.

Employee Performance

In human resource management in terms of performance is the ability of employees in the organization / company that carries out all the tasks that are its responsibility. The task is usually based on indicators of the achievements that have been determined, then the results will be known that an employee entered in a certain level of performance.

According Mustopadidjaja (2020) explained that performance is the ability of increasse to achieve better work results and stand out towards the achievement of organizational / company goals. While Mahmudi (2005), explains that performance is a record of the results of certain activities in a certain period of time.

Hasibuan (2017) explains that performance is a work achievement achieved by someone in carrying out the duties and responsibilities that are imposed. Meanwhile, according to Mangkunegara

(2005) explained that performance is work performance from work results in quality and quantity achieved by employees in achieving tasks according to the responsibilities that have been set.

In order to produce good performance, one must have the ability and business will so that every activity carried out does not experience heavy obstacles (Berry and Houstom in Eunuchs). According to Mahsun (2006), performance is an illustration in increasing the achievement and implementation of an activity, program, and policy in realizing targets according to organizational strategic planning.

Based on the above understanding, it can be understood that performance is the ability carried out to achieve the work expected by an organization / company (Nofriansyah, 2018).

In this section the author will describe the dimensions of work based on research conducted at PT. Titian Kencana Raya which includes:

1. Quality

Namely the quality of work and the quality of the work done by employees of the company

2. Timeliness

That is related to the presence and delay of employees in doing work and in work.

3. Effectivity

That is related to the provision of facilities provided by the company to employees in the work environment

4. Work Evaluation

That is related to the provision of compensation given to employees whether it meets the expectations and goals of the company or not

According to Gibson, Ivancevich, and Donnely stated the factors that influence employee performance, namely:

1. Individual variables

These are variables related to abilities, physical or mental skills and backgrounds such as family, social level and experience. Also related to age, origin and gender.

2. Psychological variables

These are variables related to perception, attitude, personality, learning, and motivation.

3. Organizational variables

These are variables related to resources, leadership, rewards, structure, and job design.

Performance is basically measured in accordance with the interests of the company and considers the employees they value.

According to Mondy, Noe, Premeaux stated that performance measurements can be carried out using the following dimensions:

1. Quantity of work (quantity of work)

Namely jobs related to productivity by employees at certain times.

2. Quality of work (quality of work)

Namely work related to neatness, accuracy and completeness in handling company tasks.

3. Independence (dependability)

Namely jobs related to the ability of employees to work and carry out independent tasks by minimizing assistance from other employees.

4. Initiative (initiative)

Namely jobs related to independence, think flexibly, and are willing to assume responsibility.

5. Adaptability

Namely work related to adaptation, with consideration of being able to react to changing needs and conditions.

3. Methods

Test Research Instrument

The instrument trials according to (Sugiyono, 2017) were conducted to find out whether the instruments used were in accordance with what should be measured to see the consistency and the instruments in uncovering research that occurred from a group of individuals even though it was done in different times.

According to (Sigiono, 2017) Test Instruments are divided into 2 tests, namely:

1. Test Validity

That is a measure that shows the validity or authenticity of the research instrument. In this test refers to the relationship of the instrument in running the function. The instrument is said to be valid if the instrument is used to measure what is to be measured. In the validity test results do not apply universally, which means the instrument does not have a high value at a certain place and time, but the test instrument will be valid at different places and times. To find out the instrument test, the validity test should be done first.

2. Reliability Test

According to Triton in Sujianto (2009) reliability testing using the Cronbach's Alpha method was measured based on the Cronbach's Alpha Scale 0 to 1.

Table 1. Cronbach's Alpha Scale

Nilai *Alpha Cronbach's*	Information
0,00-0,20	Not reliable
0,21-0,40	Less reliable
0,41-0,60	Reliable enough
0,61-0,80	Reliable
0,81-1,00	Very reliable

Source: Triton in Sujianto (2009)

Likert Scale

The scale is used to measure the attitudes, opinions, perceptions of a person or group of people about the phenomenal social. In this study, this phenomenal problem has been specifically determined, hereinafter referred to as the research variable. With a Likert scale, the variables to be measured are translated into indicator variables. Then the indicator is used as a starting point for compiling instrument items which can be statements or questions. The answer for each instrument item that uses a Likert scale has a graduation from very positive to very negative. To analyze quantitatively, each answer is given a weight or score.

Table 2. Likert Scale

Answer	Score
Strongly agree	5
Agree	4
Less Agree	3
Disagree	2
Strongly Disagree	1

Source: Sugiyono (2013)

Correlation Coefficient Test

According to Siregar (2013) "Correlation Coefficient is the part that states the strength of the relationship between two or more variables or can also determine the direction of both variables. Correlation value (r) = (-1 ≤ 0 ≤ 1) ". For the strength of the relationship, the value of the correlation coefficient is between -1 and 1, while for the direction expressed in the form of positive (+) and negative (-). For example: If r = -1 means perfect negative correlation, because there is an inverse relationship between the variable X and the Y variable, if X goes up then the variable Y decreases. If r = 1 means perfect positive correlation, it means that there is a direct relationship between variable X and variable Y, if variable X rises then variable Y rises.

Table 3. Level of Correlation and Relationship Strength

No	Coefficient Interval	Relationship Level
1	0,00-0,199	Very weak
2	0,20-0,399	Weak
3	0,40-0,599	Enough
4	0,60-0,799	Strong
5	0.80-1,000	Very strong

Source: Siregar (2013)

According to Siregar (2013) the coefficient of determination (KD) is a number that states or is used to determine the contribution or contribution made by a variable or more X (free) to the variable Y (bound).

According to Siregar (2013) the purpose of applying the two methods is to predict or predict the value of the dependent variable that is influenced by the independent variable.
The simple linear regression formula is:
Y = a + b.X
Where:
Y = dependent variable
X = free variable
a and b = constants

This type of research used in this study is quantitative research with a field approach using field explanations with the help of SPSS 26 in the processing of research data. The explanatory format is intended to describe a generalization or explain the relationship of one variable with another variable, because the explanatory research uses a hypothesis and tests the hypothesis so inferential statistics are used (Bungin, 2005). In this study the population was 37 people and the sample used was 37 PT. Adira Dinamika Multifinance Tangerang. According to Sugiyono (2015) Population is a generalization area consisting of objects / subjects that have the qualities and characteristics determined by researchers to be studied and then drawn conclusions. According to Sugiyono (2009) Saturated sample is a sampling technique when all members of the population are used as samples. Saturated sampling is used if the population is relatively small or used if you want to do general research with very little error. Another term for saturated samples is the census, in which all members of the population are sampled. For samples, the authors use saturated samples with an error rate of 5%. In this study also tested related to the validity test, reliability test, correlation coefficient, coefficient of determination, and linear regression analysis.

Hypothesis
Ho: There is no effect of the provision of incentives on employee performance at PT. Adira Dinamika Multifinance
Ha: There is an effect of giving Incentives to Employee Performance at PT. Adira Dinamika Multifinance
If
Significance> 0.005 then Ho is accepted
Significance <0.005 then Ha is accepted

4. Results and Discussion

1. Research Instrument Testing
    Before entering into the calculation of the correlation, determination, and regression test. Instrument testing is first performed to ensure that the data used can be trusted. The instrument test consists of validity and reliability tests.

1. Test Validity
    Testing is done by comparing the r count with r table. The calculated r value is the result of the correlation of respondents' answers on each statement in each variable analyzed by the SPSS program and the output is called Corrected Item Correlation. The magnitude of r table with a significant level of 5% is df = n-2 or 37-2 = 35 of 0.3246 (see attachment r table). The results of validity through the SPSS version 26 program, show that r count> r table, which means all the question indicators both X and Y variables are all valid and can be used for research.

2. Reliability Test
    Reliability is an indicator or questionnaire from calculations using SPSS can be seen from Cronbach's Alpha, then interpreted in the Cronbach's Alpha scale table in the following table. The results of SPSS output reliability can be seen as follows.

Table 4. Reliability Results

Variable	Cronbach's alpha	Information
Incentive	0,815	Reliable
Employee Performance	0,864	Very reliable

    Data from the table above can be concluded that the value of Cronbach's Alpha is greater (>) 0.60, then the variable is included in the reliable category. So, it can be concluded that the questionnaire used in the study is reliable as a variable measurement tool.
    To see the extent of the influence and relationship of Organizational Communication on work motivation at PT. Sejahtera Buana, then the correlation coefficient test analysis is then performed, using the Pearson Product Moment correlation technique, which calculations are calculated using the SPSS 26 application program. The following are the results of the independent variable test and the dependent variable studied.

Table 5. Correlations

		Incentives	Employee Performance
Incentives	Pearson Correlation	1	,671**
	Sig. (2-tailed)		,000
	N	37	37
Employee Performance	Pearson Correlation	,671**	1
	Sig. (2-tailed)	,000	
	N	37	37

**. Correlation is significant at the 0.01 level (2-tailed).

From the Pearson Correlation test results can be seen between the service variable (X) and satisfaction variable (Y), with the number listed that is equal to 0.671. From these results, it can be seen the effect between variables X and Y is included in the strong category, because it is in the value of 0.60-0.799. If it is seen from the results of significance <0.005, it can be concluded that Ha is accepted, which means that there is an influence between incentives for strong performance of 0.671.

The coefficient of determination is used to see what percentage of the dependent variable variation (organizational communication) can be explained by the variation of the independent variable (work motivation). Following are the results of processing the questionnaire on the two variables tested for their relationship, namely the independent variable (Incentives) and the dependent variable (Employee Performance). The author uses the SPSS 26 program, the output is in the form of the following table.

Table 6. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,671ᵃ	,450	,435	2,668

a. Predictors: (Constant), Incentives

Based on the table above it can be concluded that the influence of incentives is equal to 45.0% on work motivation, where the remaining 55% is influenced by other factors which include leadership style, motivation and others.

The following is a simple regression table to determine whether there is a relationship between the two variables. In addition, it is used to prove the relationship between organizational communication and work motivation at PT. Adira Dinamika Multifinance.

Table 7. Coefficientsᵃ

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	13,668	5,358		2,551	,015
Incentives	,695	,130	,671	5,356	,000

a. Dependent Variable: Employee Performance

The values from the analysis table are then entered into the regression equation formula. Values a and b can be seen from the numbers listed in column B, values a are in the Constant row and b values are in the service, so the following information is obtained:

$$Y = a + bX$$
$$Y = 13{,}668 + 0{,}695X$$

The constant value a is 13,668 which means that if there are no Incentive variables, the Performance value is 13,668, the regression coefficient X of 0.695 states that each addition of 1 Incentive will increase Employee Performance by 0.695. Thus, a positive sign indicates the direction of a unidirectional relationship, where an increase or decrease in the independent variable (X) will result in an increase or decrease in the dependent variable (Y).

5. Conclusion

Based on this study, evidence was obtained from the results of the validity test by testing 37 respondents to determine the validity of the statement items on the questionnaire of the 10 statement items all are valid for Incentive variable (X) items while from the Employee Performance statement item (Y) there are 10 items, and all are valid. Based on this study, evidence was obtained from the reliability test that showed a reliability value of 0.815. This value has the reliability of reliability which is very reliable because the value of 0.815 is also within the interpretation value of 0.810-1.00 Means, all items on the statement of the Incentive variable (X) are declared reliable and reliable. Meanwhile, the results of the Performance reliability test (Y) in the Cronbach's Alpha column show a reliability value of 0.864. This value has a very reliable interpretation, because the value of 0.864 is in the interpretation value of 0.8800-1.00. Means that the entire statement of Employee Performance (Y) is declared to be very reliable and trustworthy. The constant value a is 13,668 which means that if there is no Incentive variable the Performance value is 13,668 X regression coefficient of 0.695 stating that each addition of 1 Incentive will increase Employee Performance by 0.695. Thus, a positive sign indicates the direction of a unidirectional relationship, where an increase or decrease in the independent variable (X) will result in an increase or decrease in the dependent variable (Y).

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