

Is Employee's Performance Influenced by Incentives and Work Motivation?

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Abstract—The purpose of this research is to identify the influence of incentive and work motivation on the employee performance at one of the BPJS office in Jakarta. Questionnaires release with probability sample in order to obtain a sample of 95 employees. Using multiple regress analysis, researcher found that the incentive and work motivation provide a positive and significant influence of employee performance.

Keywords: *employee's performance, incentive, work motivation, BPJS*

I. INTRODUCTION

Human resources have an important role in a company. Employees are responsible for participating in carrying out company activities. Companies must utilize the potential of their human resources to obtain optimal output. Employees work to earn income and social status. To ensure alignment of objectives, companies must provide appropriate incentives to improve employee performance. Incentives are a reciprocal relationship between the organization and its human resources. Providing incentives and motivation not only benefits employees, but shows the company's ability to provide the best for its employees.

Providing incentives can not only benefit employees, but also companies that will be satisfied because they can do the best for their employees. By giving the right compensation, the amount and the time, then all employees will be able to work calmly and concentrate all of their thoughts to complete the work they are responsible for. The company will more easily attract employees who are classified as a potentially, they will be able to develop their potential to produce better quality jobs. As for employees who are less potential, they will be more eager to increase their potential [1].

Incentives and motivation are very important in improving employee performance. Incentives are the driving force for someone to carry out an activity to get the best results, while work motivation is needed to improve employee performance.

TABLE I. KEY PERFORMANCE INDICATOR WORKING UNIT BPJS KETENAGAKERJAAN GENERAL AND HR DIRECTORATE

Year	Work Unit			
	<i>Procurement Division</i>	<i>General Asset and Service Management Division</i>	<i>Human Capital Division</i>	<i>Learning Office</i>
2016	5,80	5,73	5,77	5,75
2017	5,37	5,40	5,57	5,80

BPJS Ketenagakerjaan/Employment has its own regulations regarding the provision of incentives which are regulated in the Decree of the BPJS Board of Directors which explains that the provision of incentives is the policy of the Board of Directors every year. The giving is also based on the assessment of the Key Performance Indicators (KPI) of each work unit, which is expected to be a motivation for employees to get good ratings

Based on Law Number 24 of 2011, the Social and Healthcare Security Agency / *Badan Penyelenggara Jaminan Sosial* (BPJS) covers the roles of PT Askes (health) and PT Jamsostek (Employment). BPJS *Ketenagakerjaan*/Employment protects 40 million workers throughout Indonesia in both the formal and informal sectors through its 4 programs; Death benefit guarantee, work accident security, old age security, and pension benefit guarantee.

Increasing job demands require employees to have good motivation and performance. Therefore, companies must provide good incentives so that employees have productivity and good contributions to the company.

II. LITERATURE REVIEW

A. *Effect of Incentives on Employee Performance*

According to Hariandja, an incentive is a direct reward that is based on or linked to performance and is interpreted as profit sharing for employees that is influenced by increased productivity [2]. According to Maslow [3], an incentive is a part of compensation that serves to fulfill the basic needs and security created by ownership of money. Wibowo view states that incentives have a relationship with employee performance because every job that has provided additional performance in the form of incentives for the achievements that have been given to the company [4]. Thus, if the organization can provide incentives, of course this will increase motivation, participation, and build mutual understanding and mutual trust

between workers and company management. The research conducted by Kusuma shows that incentives have a positive and significant effect on employee performance [5]. If the employee feels his needs can be fulfilled by doing a job, then he can be motivated to work better and automatically his performance increases. Anggriawan research results showed that the incentive variable had the biggest influence on the motivation variable so that the incentive variable had a dominant influence on employee performance [6]. The results of the Khairati study of incentive factors and motivational factors influence employee performance, but the significance of the influence of motivational factors is not as big as the incentive factor, because the desired things have been fulfilled [7].

B. Effect of Work Motivation on Employee’s Performance

Robbins in Wibowo stated that motivation is a process that determines intensity, direction, and continuous effort by individuals to achieve certain goals / targets [4]. The high intensity shows how hard someone's effort. However, the high intensity does not necessarily lead to good performance results, except that the efforts made can benefit the organization. The results of Mamdani et al. indicated that motivational incentives had impact on employees’ performance [8]. Shahzadi et al. study show that significant and positive relationship exists between employee motivation and employee performance [9]. Ali et al. result show the motivation plays important role toward the performance of employee [10].

Based on the description above, the hypothesis is proposed as follows:

H1: incentive affects employee performance.

H2: motivation affects employee performance.

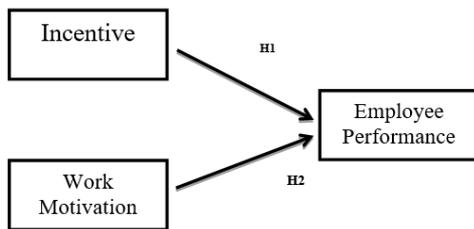


Fig. 1. Research model

III. METHODOLOGY

In this study, the researcher applied causal research to examine the effect of Incentive and Work motivation on the Directorate General and HR of the BPJS *Ketenagakerjaan* / Employment Headquarters in Jakarta. This study used qualitative research methods; research methods that are based on the philosophy of positivism, are used to examine specific populations or samples. The sampling technique was generally done randomly. Data collection was done using research instruments. It used quantitative or statistical data analysis in order to test predetermined hypotheses.

According to Sugiyono, population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and the conclusions drawn [11]. The population in this study were 120 employees who worked in the Directorate General and HR BPJS *Ketenagakerjaan*/Employment. The population consists of the Senior Officer to Senior Manager, which means structural officials such as the Assistant Vice President, Vice President, and Senior Vice President is not included in this population. Sugiyono defined sample is a part of the number and characteristics possessed by the population [11]. The sample collection technique carried out by researchers is a probability sample, which is the simple random, where random sampling is carried out by members of the population. The researcher used Slovin's opinion in determining 95 of sample.

IV. FINDINGS AND DISCUSSION

Characteristics of respondents based on age, recent education and length of employment. And it was found that as many as 41.1% of respondents aged 26-30 years, 27.4% of respondents aged 20-25 years, 25.3% of respondents aged between 31-40 years and 6.3% of respondents aged over 40 years. The education of the respondents is mostly S1, which is 64.2%. Employees who work in the organization 1-5 years on average are proven by a percentage of 63.2%.

Validity test is a measure that shows the level of validity the questionnaire items. In this research all valid. Reliability shows that an instrument can be trusted to be used as a data collection tool. Reliability test is used to determine the consistency of the measuring instrument, whether the measuring instrument used is reliable and remains consistent if the measurement is repeated. This study used Cronbach's Alpha method.

TABLE II. RELIABILITY TEST RESULT

No	Variable	Cronbach's Alpha	Result
1	Incentive	0,884	Good
2	Work Motivation	0,934	Good
3	Employee Performance	0,980	Good

This test is intended to determine the normality of the confounding or residual variable regression models. The Kolmogorov-Smirnov test result is 0.666 with a significant probability value of 0.767. Because the value of $p > 0.05$, it can be concluded that the residual data is normally distributed. The results test of the multicollinearity, show that the regression model does not experience multi-collaboration between independent variables. The tolerance value of each variable is > 0.1 .

The constant in this study is 10.645 which mean that if all independent variables do not change, the value of the dependent variable (Y) is fixed at 10.645. The incentive regression coefficient is positive for employee performance of 1.150, which means that incentive increases will cause an increase in employee performance. Work motivation regression coefficient is positive for employee performance of 1.564 which means that increasing work motivation will improve employee performance.

The coefficient of determination for more than 2 independent variables is used adjusted R Square. From the calculation results, it can be seen that the coefficient of determination (adjusted R^2) obtained is 0.661 (66.1%). That is, employee performance is influenced by incentive and work motivation by 66.1% while the remaining 33.9% is influenced by other variables. The F-test resulted in 92.647 with a probability of 0.000. So, the regression model can be used to predict employee performance and it can be said that incentive (X1) and work motivation (X2) together influence employee performance.

To find out the influence of each independent variable on the dependent variable can be seen by comparing the probability value (p-value) of each variable with the significance level used at 0.05. If the p-value is smaller than 0.05, it can be said that the independent variables partially have a significant effect on the dependent variable.

The T-count analysis for the incentive variable is 4.094 with a significance level of 0.007. It is known that t-table is 1.987. Then, incentives have a significant effect on employee performance. The T-count analysis for the work motivation variable is 9.543 with a significance level of 0.000. It is known that t-table is 1.987. So work motivation has a positive and significant effect on employee performance.

V. CONCLUSIONS

The conclusions are:

- From the results of the regression test it was found that the incentive variable has a T-count of 4.094 and T-table 1.987. Thus $T\text{-count} > T\text{-table}$ or it can be concluded that the incentive has a significant effect on employee performance.
- From the results of the regression test it was found that the work motivation variable has t-count 9.543 and T-table 1.987. Thus $T\text{-count} > t\text{-table}$ or it can be concluded that work motivation has a significant effect on employee performance.

Our suggestions for BPJS Ketenagakerjaan / Employment based on the results of this study are; From the lowest average value of the incentive variable on the statement "Incentive given always on time", the company should pay more attention to the timeliness of incentive giving so that employees can

increase morale and produce good performance; From the lowest average value of the variable work motivation on statement 'Pay increase is given to employees who excel', then the company should review the salary increase policy. Pay increases should not only consider achievement, but also consider work period, loyalty, etc.

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