



Does Providing Incentives During the COVID-19 era Increasing Employees' Motivation?

A Study in PT. Bank Tabungan Negara (Persero), Tbk Head Office

Vindaniar Yuristamanda Putri

Department of Finance and Banking Administrative
Vocational Program, University of Indonesia
Depok, Indonesia
vindaniar.putri@ui.ac.id

Dewi Embun Dzultawakal

Department of Finance and Banking Administrative
Vocational Program, University of Indonesia
Depok, Indonesia
dewiembundz31@gmail.com

Abstract— This paper aims to determine the effect of incentives (X) on work motivation (Y) at the State Ownership Enterprise Financial Company in Indonesia. The population of this study were employees at the head office of PT. Bank Tabungan Negara (Persero), Tbk. This paper is a descriptive analysis with a quantitative approach. Data were collected by disseminating questionnaires to the PT. Bank Tabungan Negara (Persero), Tbk employees in Head Office and analyzed with linear regression. The study found that incentive significantly affects work motivation because the significance value is 0.003 or less than 0.05. Moreover, the result of the r count is 3,138 (more than r table 2,024), which implies that the higher the employees' incentives, the higher the work motivation they had.

Keywords— Incentives; Work Motivation; COVID-19.

I. INTRODUCTION

The Covid-19 pandemic has dramatically impacted employee productivity in the industry, especially in the service sector [1], [2]. This pandemic has changed all employees from working in the office to Work From Home (WFH). In addition, employees must also be familiar with information technology, such as using applications for online meetings, team collaboration applications to control work timelines, and several other digital media. This change in work patterns also raises new worker problems, affecting the company's productivity. He et al. (2021) [3] found that worker productivity in China decreased on average by 39.5% from February 2019 to February 2020.

One problem that arises in employee motivation tends to decrease during the pandemic. Employees find it difficult to balance work and personal life. Most employees stated that the WFH facilities during the COVID-19 pandemic gave them more jobs, had to be more proactive in their work, and sometimes added jobs that previously did not exist [2]. Erratic working hours and erratic household affairs often cause conflicts for employees. It ultimately affects the performance of employees where they work.

Human resources in a company are one of the main driving factors determining its success in achieving its goals. Human resources are involved in all company activities, from planning to evaluation. The company's success depends on utilizing the

quality and quantity of human resources. However, problems in human resources in a company often cause failure for the company.

PT. Bank Tabungan Negara (Persero), Tbk (BTN) is a company engaged in banking services. Like other service industries, BTN has also experienced changes in work patterns during the COVID-19 pandemic. The financial services sector, which prioritizes the confidentiality of customer data, must also adapt to the conditions of the COVID-19 pandemic. Although not 100% implementing WFH like other industries, BTN highly cares about the safety of its employees who still have to come to the office. The company provides weekly PCR tests for employees who actively come to the office and quarantine places for employees exposed to COVID-19. To increase the motivation of employees who still have to be present at the office during the pandemic, BTN implements the provision of rewards in the form of incentives for employees who come to the office on time. It refers to the Circular Letter (SE) of the Board of Directors of PT. Bank Tabungan Negara (Persero), Tbk Number 43/DIR/CMO/2011 concerning Human Capital Rewards.

However, it turns out that the provision of incentives does not increase the motivation of the employees. The fact that several employees still come late every morning. Nevertheless, Poor absenteeism can affect employee performance appraisals in the BTN work management system, which will be evaluated annually. BTN limits 260 working days in a year and gives a maximum of 12 opportunities to arrive late by including reasons and evidence of the cause of the delay. If they surpass the 12 opportunities, it must be approved by their superiors. If the employee does not improve attendance, this will impact the employee's performance appraisal, increase the employee's grade and promotion of the employee. Therefore, this study will discuss the Analysis of the Effect of Giving Incentives on the Work Motivation of BTN Employees During the COVID-19 Pandemic. Due to the relatively short research period, the limitations of the selected research objects are employees of PT. Bank Tabungan Negara (Persero), Tbk which only works at the head office.

Saputri et al (2021) shows that work discipline and the provision of incentives simultaneously have a positive and

significant impact on the performance of employees of PT. Putra Karisma Palembang [4]. Factors that affect performance are internal and external. Internal factors come from within employees, such as intellectuality, work discipline, work experience and educational background. In comparison, external factors are supporting factors from outside employees, namely leadership style, career development, work environment, training, compensation, incentives, and management systems within the company.

Pudjiastuti et al (2021) stated that financial and non-financial incentives positively impact the job satisfaction of millennial employees in Greater Jakarta. The category of financial incentives is incentives that will directly improve employees' financial well-being, such as bonuses, allowances, transportation facilities, medical, health and life insurance and other facilities such as vacations. Meanwhile, the non-financial incentive is an incentive that does not directly improve the employee's financial position but makes the job more attractive to employees. Non-financial incentives include employee training, pension schemes, access to private medical care, child care facilities, and counselling services [5].

According Simamora (2004) an incentive is a scheme that links earning with work productivity [6] Incentives are also said to be rewards in the form of money given to those who can work beyond a predetermined standard [7]. The provision of incentives can benefit both employees and the company. The company expects high employee morale to work better in achieving the company's wishes. On the other hand, employees expect more rewards other than the basic salary to appreciate the high performance. The primary purpose of providing incentives is to carry out responsibility and encourage employees to improve the quality and quantity of their work [8].

According to Hasibuan (2013) Incentive indicators are as follows: [9]

- Performance: The incentive amount depends on the employee's working time achieved.
- Period of work: The incentive amount is determined based on how long the employee carries out or completes a job. It can calculate hourly, per day, week or month.
- Seniority. The incentive is calculated based on the tenure or seniority of the employee concerned in a company.
- Needs: Incentives are built upon the urgency to fulfil decent living needs. Incentives are considered reasonable when they meet basic needs, not excessive but not lacking.
- Fairness and Feasibility: in the incentive system, there must be a relationship between the sacrifice (input) and the incentive (output). People will expect more incentive when they put more sacrifice into that job. Moreover, the feasibility aspect is also important to note. Feasibility means the incentives provided are the same as other similar companies.
- Job evaluation: job evaluation is an attempt to determine and compare the value of a particular position with the value of other positions in a company. It means determining

the relative value of a position in order to rank in the determination of incentives.

Motivation can be interpreted as an individual's drive to take action because they want to do it. If individuals are motivated, they will make positive choices to do something because it can satisfy their desires [8]. Hasibuan (2013) stated that motivation is the provision of a driving force that creates enthusiasm for one's work so that they are willing to work together, work effectively and be integrated with all their efforts to achieve satisfaction. Campos-García and Zúñiga-Vicente (2018) found that a positive leader's personality also has a positive influence on employee motivation. However, it cannot be forgotten that employee motivation can also be influenced by other contexts, company organizations, and other personal factors [10].

According to Veithzal (2009), the dimensions of work motivation are needs, work, satisfaction, justice, hope, and goal Setting [8].

Incentives play an essential role in increasing employee motivation. Employees will be highly motivated to work, resulting in better performance if management provides sufficient incentives and vice versa. Based on the limitations and formulation of the problem, the research hypothesis is as follows:

H_0 = Incentives do not significantly affect employee motivation at the Head Office of PT. State Savings Bank (Persero), Tbk.

H_a = Incentives significantly affect employee work motivation at the Head Office of PT. State Savings Bank (Persero), Tbk.

Based on this hypothesis, the research framework in this paper can be formulated as follows:

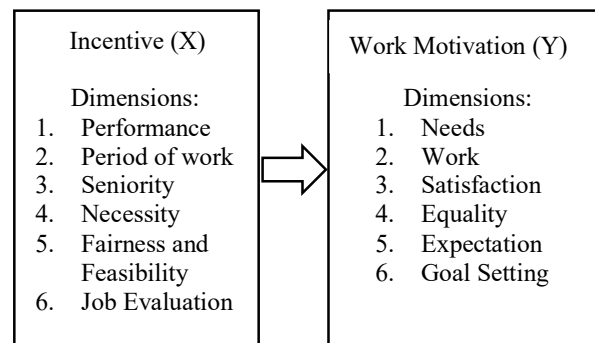


Fig 1. Research Framework

II. METHODOLOGY

This study aims to determine whether there is an effect of providing incentives on the work motivation of BTN employees at the head office. Thus, to achieve this goal, this study uses a quantitative descriptive approach with the dependent variable of work motivation (Y) and incentives (X) as independent variables. The target population in this study is all employees from various divisions who work at the BTN head office. There are no specific criteria for sampling this study, so simple random sampling is applied in this study.

Data were collected by distributing questionnaires to all employees in the BTN Head Office. All question items are developed from incentive and work motivation theories that have been made previously. The scale used is a Likert scale of 1 (Strongly Disagree) to 4 (Strongly Agree). Before testing the hypothesis, the validity test was carried out on all the questions in the questionnaire. The validity test shows the level of accuracy of the size of an instrument against the concept under study. An instrument is said to be valid if it can reveal data from the variables studied appropriately. If the validity test If $r_{count} > r_{table}$, then the research variable is declared valid.

The normality test requires data to distribute normally before performing regression analysis. It aims to produce a good regression model. The normality test used the Kolmogorov-Smirnov Test by setting a significance level (α) of 0.05. This test is carried out using the residual values of the two variables. The test requires a significance level higher than 0.05 to pass the normality test, so the data is normally distributed. Nevertheless, if the significance is < 0.05 , then the data is not normally distributed.

A reliability test measures the extent to which measurement results using the same object will produce the same data. The reliability test aims to the extent to which a measurement is relatively consistent if repeated twice or more. In this study, the reliability test used the Cronbach Alpha variance technique. If the reliability coefficient is more than 0.5, the item provides a reliable level. On the other hand, if the value is below 0.5, the item is unreliable.

Suliyanto (2018) states research variables as research objects with characteristic values that vary from subject to subject or from one time to another [5]. The variables studied are independent/independent variables (X) which will affect the size of the other variables. Simple linear regression analysis was used to determine the relationship between the independent and dependent variables. The simple regression equation X against Y is as follows:

$$Y = a + bX \quad (1)$$

Description:

a = Constant Number

b = number or direction of the regression coefficient

X = Independent Variable

Y = Dependent variable

III. RESULT & DISCUSSIONS

A. Respondents Description

Through WhatsApp media, questionnaires were distributed to all divisions at BTN Head Office, consisting of 20 divisions. Most respondents came from the HCMD division (10 respondents), the RFSD division (5 respondents), and the FAD division (3 respondents). The following is the frequency distribution of respondents based on divisions at BTN Head Office:

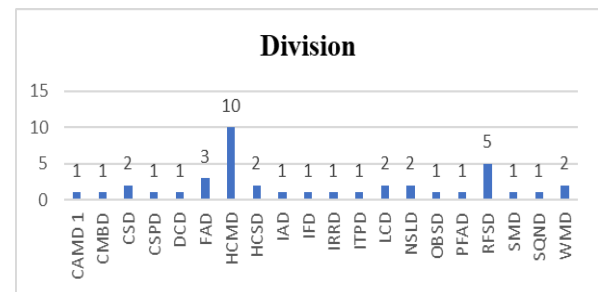


Fig 2. Graph of Characteristics of Respondents by Division

B. Validity Test

The validity test determines the question items by comparing the r_{count} of each item with the r_{table} with a significant level of 5%. This validity test uses the Pearson correlation method.

TABLE I. VALIDITY TEST RESULT

Variable	Question Number	Pearson Correlation (r count)	Sig. level 5% (r table)	Description
Incentive (X)	X.1	0,818	0,312	Valid
	X.2	0,801		Valid
	X.3	0,773		Valid
	X.4	0,749		Valid
	X.5	0,681		Valid
	X.6	0,654		Valid
	X.7	0,372		Valid
	X.8	0,654		Valid
	X.9	0,746		Valid
	X.10	0,336		Valid
Work Motivation (Y)	Y.1	0,479	0,312	Valid
	Y.2	0,603		Valid
	Y.3	0,501		Valid
	Y.4	0,413		Valid
	Y.5	0,424		Valid
	Y.6	0,501		Valid
	Y.7	0,511		Valid
	Y.8	0,550		Valid

	Y.9	0,556		Valid
	Y.10	0,468		Valid

Based on the table above, there were ten (10) valid questions on the incentive variable (X). In the work motivation variable (Y), there are also ten (10) valid questions. Furthermore, valid question items will be processed for the normality test.

C. Normality Test

The requirement to perform regression analysis is that the data distribution must be normally distributed. The results of the Kolmogorov-Smirnov test can be seen in the table below.

TABLE II. NORMALITY TEST RESULT

		Unstandardized Residual
N		40
Normal Parameters	Mean	0,0000000
	Std. Deviation	1,89446783
Most Extreme Differences	Absolute	0,083
	Positive	0,083
	Negative	-0,069
Test Statistic		0,083
Asymp. Sig. (2-tailed)		0,200

Based on the test results in the table above, it can be seen that all variables in this study are normally distributed because the significance value is 0.200, which is greater than the significance level of 0.05, which is a condition for the data to be said to be normal.

D. Reliability Test

A reliability test is conducted to show a measurement's consistency level. The results of the reliability test are as follows:

TABLE III. RELIABILITY TEST RESULT

Reliability Statistic		
Variables	Cronbach's Alpha	Description
Incentive (X)	0,860	Reliable
Work Motivation (Y)	0,644	Reliable

The test results in the table above show that the Cronbach Alpha value is greater than 0.5. It can be concluded that all the variables used in this study are reliable.

E. Hypothesis Test

Hypothesis testing is used to determine the significance of the effect of the incentive variable (X) on the work motivation variable (Y). The results of testing the hypothesis test are as follows:

TABLE IV. HYPOTHESIS TEST RESULT

ANOVA

Model		Sum of Square	df	Mean Square	F	Sig.
1	Regression	41.935	1	41.935	9.846	0,003
	Residual	161.840	38	4.259		

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	12.774	4.283		2.982	0,005
Incentive	0,408	0,130	0,454	3.138	0,003

a. Dependent Variable: Motivasi Kerja

Based on the test results in the table above, it can be seen that the calculated F value is 9.846, with a significance level of 0.003. The criteria to accept the hypothesis is as follows:

- If t-count > t-table sig < 0.05, then H1 is accepted.
- Real level = 5%

Description: K = Number of Variables
n = Number of Samples

$$t\text{ tabel} = \left(\frac{\alpha}{2}; n - k - 1\right) \tag{2}$$

$$t\text{ tabel} = \left(\frac{0,05}{2}; 40 - 1 - 1\right)$$

$$t\text{ tabel} = (0,025; 38)$$

$$t\text{ tabel} = 2.024$$

Noted that:

H_a = Incentives significantly affect employee work motivation at the Head Office of PT. State Savings Bank (Persero), Tbk.

The t value is 3.138, while the result of the t table is 2,024. So it can be concluded that H_a is accepted. Moreover, based on the significant value of the coefficient table is 0.003 < 0.05. So, H_a is accepted, and H_o is not accepted, which means that the incentive variable significantly affects the work motivation variable. Then, the simple linear regression equation can be written as follows:

$$Y = 12,774 + 0,408X$$

- The constant value is 12,774, which states that the consistent value of the work motivation variable is 12,774.
- The value of the regression coefficient is 0.408, which states that for every 1% addition of the incentive value, the

value of work motivation increases by 0.408. The regression coefficient is positive, so incentives affect work motivation positively.

F. Coefficient of Determination

This coefficient determines how significant the Incentive (X) contributes to Work Motivation (Y). The results of this test are as follows:

TABLE V. COEFFICIENT OF DETERMINATION TEST RESULT

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,454	0,206	0,185	2,064

a. Predictors: (Constant), Incentive

The test results in the table above show that the correlation or relationship (R) value is 0.454. The output's coefficient of determination (R Square) is 0.206. As a result, the effect of the incentive variable (independent) on the work motivation variable (dependent) is 20.6%, while 79.4% is affected by other factors that are not mentioned in the model.

G. Discussions

This study has similarities with previous research that became the author's reference, entitled "The Effect of Incentives on Employee Work Motivation at the Southwest Aceh District Office in 2018 by Sri Ayu Damayati". Damayanti (2018) used incentive as an independent variable and work motivation as a dependent variable. The research results that the authors have carried out produce a value that incentives positively affect employee work motivation [11]. Apart from the variables and methodology similarity, this research is distinct from Damayanti (2018). The difference lies in the addition of the research method used by the author, i.e. normality test. Therefore, the research objects dan period of the research are also contrary to the other research.

Human Resources Management (HRM) is still struggling to survive and find ways to handle many crises brought by COVID-19. A more humanistic approach to treating employees during this pandemic is one of the company's most important to look after their employees [12]. Roumpi (2021) divided it into four phases that characterized HRM challenges in this era, the initial shock, the prolonged business shutdowns, embracing the new normal, and returning to the office (or maybe not). The most challenging phase is the first one because HRM needs to ensure that employees are healthy, mentally stable, and, of course, well-motivated to keep the business alive [13].

The implication is a consequence or direct result of scientific research findings. The results of this study are about the effect of incentives on employee work motivation at the Bank BTN Head Office. The study shows that the incentive variable significantly influences employee work motivation. Research carried out at the Bank BTN Head Office has implications for employees and company management.

Based on the research, the company attaches great importance to the welfare of each of its employees. Therefore, the company seeks to provide work motivation for each of its employees. Employees must pay attention to the assessment of the performance management system because it dramatically affects the incentives received by each employee. Management must always provide employee work motivation to produce satisfactory performance according to the company's wishes. Management can motivate employees by providing material or non-material in the form of employee appreciation. Management needs to innovate to continuously increase the work motivation of every employee in the company.

IV. CONCLUSIONS

As a result, the company's incentives significantly affect employees' work motivation by about 20,6% at the BTN Head Office. This research expectantly motivates employees to foster morale at the head office and in all regional and branch offices of BTN. The result of this research proved that incentives affect employee motivation. The Management of BTN must continue to make innovations designed for employees so that employees can continue to have a high sense of motivation at work. Motivation can be given in the form of material or non-material. This paper can be used as a reference for further research regarding human resources.

ACKNOWLEDGMENT

Authors would like to send a gratitude to PT. Bank Tabungan Negara (Persero), Tbk for their support in completing this paper. Especially to the Human Resources Division. Thank for the brainstorming, a compliance as respondent, and the special discussion sessions so that this paper can be well completed.

REFERENCES

- [1] D. Chadee, S. Ren, and G. Tang, "Is digital technology the magic bullet for performing work at home? Lessons learned for post COVID-19 recovery in hospitality management," *Int. J. Hosp. Manag.*, vol. 92, no. September 2020, p. 102718, 2021, doi: 10.1016/j.ijhm.2020.102718.
- [2] S. Mandal, P. Das, G. V. Menon, and R. Amritha, "Enablers of work from home culture: an integrated empirical framework," *Benchmarking*, 2022, doi: 10.1108/BIJ-08-2021-0476.
- [3] H. Tekin, "The impact of COVID-19 on construction labor productivity : the case of Turkey," *Eng. Constr. Archit. Manag.*, 2022, doi: 10.1108/ECAM-12-2021-1137.
- [4] A. D. Saputri, S. Handayani, and M. K. DP, "Pengaruh Disiplin Kerja dan Pemberian Insentif terhadap Kinerja Karyawan PT Putra Karisma Palembang," *J. Nas. Manaj. Pemasar. SDM*, vol. 2, no. 1, pp. 25–42, 2021, doi: 10.47747/jnmpsdm.v2i1.211.
- [5] S. D. Pudjiastuti, K. Ariana, and D. Wuisan, "Dampak Insentif Finansial, Insentif Non Finansial, Motivasi Kerja Terhadap Kepuasan Kerja Karyawan Usia Milenial," *JENIUS*, vol. 5, no. 2, pp. 347–361, 2022.
- [6] H. Simamora, *Manajemen Sumber Daya Manusia*, 3rd ed. Yogyakarta: STIE YKPN, 2004.
- [7] M. S. Panggabean, *Manajemen Sumber Daya Manusia*. Bogor: Ghalia Indonesia, 2004.
- [8] V. Rivai, M. Ramly, T. Mutis, and W. Arafah, *Manajemen sumber daya manusia untuk perusahaan : Dari teori ke praktik*, 3rd ed. Jakarta: Raja Grafindo Persada, 2009.
- [9] M. S. . Hasibuan, *Manajemen Sumber Daya Manusia*. Jakarta: Bumi Aksara, 2013.
- [10] I. Campos-García and J. Á. Zúñiga-Vicente, "The impact of a leader's

demographic and professional characteristics on employee motivation: Do they really matter?," *Empl. Relations*, vol. 41, no. 1, pp. 119–141, 2019, doi: 10.1108/ER-10-2017-0253.

- [11] S. A. Damayanti, "PENGARUH INSENTIF TERHADAP MOTIVASI KERJA PEGAWAI PADA KANTOR BUPATI KABUPATEN ACEH BARAT DAYA," Universitas Islam Negeri Ar-Raniry Darussalam.
- [12] A. S. Adikaram, N. P. G. S. I. Naotunna, and H. P. R. Priyankara, "Battling COVID-19 with human resource management bundling," *Empl. Relations*, vol. 43, no. 6, pp. 1269–1289, 2021, doi: 10.1108/ER-08-2020-0390.
- [13] D. Roumpi, "Rethinking the strategic management of human resources: lessons learned from Covid-19 and the way forward in building resilience," *Int. J. Organ. Anal.*, 2021, doi: 10.1108/IJOA-09-2021-2974.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

