



Does Incentives and Job Satisfaction Improve Employee Performance?

Syamsul Alam¹, Syamsul Ridjal², Edy Jumady³, Anita Idris⁴

^{1,2,3}Management, STIEM Bongaya, Makassar, Indonesia

⁴Postgraduate Students, STIEM Bongaya, Makassar, Indonesia

ARTICLE INFO

Article history:

Received Jan 30, 2023

Revised Feb 10, 2023

Accepted Feb 28, 2023

Keywords:

Incentive
Job satisfaction
Employee Performance

ABSTRACT (9 PT, Book Antiqua, Ful English)

This study aims to test and examine the effect of incentives and job satisfaction on employee performance at the Makassar City Regional Planning and Development Agency Office. This study was conducted at the Makassar City Regional Planning and Development Agency Office. This study involved 53 respondents from civil servants from the Makassar City Regional Planning and Development Office. This study uses primary data collected using a questionnaire. Furthermore, the data were analyzed using the statistical tool SPSS 22.0 using multiple regression analysis method. The data is tested through several stages of testing such as validity, reliability, classical assumption tests. Furthermore, to prove the hypothesis proposed in this study will be seen through the coefficient of determination test, partial test (t-test). The results of this study indicate that incentives have an effect on employee performance, and job satisfaction has an effect on employee performance.

This is an open access article under the [CC BY-NC](https://creativecommons.org/licenses/by-nc/4.0/) license.



Corresponding Author:

Syamsul Alam,

Manajemen,

STIEM Bongaya,

Jl. Andi Mappaodang No.28, Makassar, Sulawesi Selatan, 90223, Indonesia

Email: syamsul.alam@stiem-bongaya.ac.id

INTRODUCTION

The performance of the bureaucratic apparatus or civil servants is an important factor in the government bureaucracy, because civil servants are the implementing elements and functions of government activities, including in service activities. The success of agencies in achieving these goals is a reflection of civil servants as government officials and as public servants. They are also required to always work with high enthusiasm so that in providing services to the community they do not seem slow, lazy and reluctant. They provide work results based on the job requirements in each office/service where they work (Sinamo, 2018).

In general, performance is the result of work achieved by an employee in carrying out the tasks assigned to him. Performance is work performance produced by employees in accordance with the roles and tasks they carry out in the agency. Furthermore, performance is an action or task implementation that can be measured in general performance measures including: quality of work, quantity of work, knowledge of work, and work planning (Sinambela, 2021). Employee

performance can be measured by planning, implementing and evaluating learning, cooperation in work groups, understanding and ability to work and self-evaluation in achieving achievements (Wibiantoro, 2020).

Employee performance is important for every organization to pay attention to because of humans, in this case employees are the main factor in the work process which will ultimately make the overall performance of the institution go well or not. However, in fact, based on the preliminary survey that has been carried out, it was found that the performance of employees at the Makassar City Regional Planning and Development Agency Office was not optimal. In the opinion of the Head of the Makassar City Regional Planning and Development Agency, the decline in employee performance in terms of indicators of discrepancies in working hours can be seen from employees who often arrive late. Having qualified employees cannot guarantee that someone will have good performance or vice versa, such as at the Makassar City Planning and Development Agency Office.

Employees who have not given their best performance can be caused by various factors, namely: 1) there is still a lack of attention to giving employee incentives, 2) low employee motivation, namely with many employees not attending work, 3) low satisfaction at work. The three factors above can be the cause of employees who have good quality but have not been able to provide maximum performance on their jobs. This will have an impact on the quality of the Makassar City Regional Planning and Development Agency Office directly or indirectly. Employee performance can also be seen through employee work targets that are made at the end of each year which shows that there are still employees who have not reached the 100% target.

According to (M. S. . Hasibuan, 2017) Employees have a role that really determines the success of the organization because the main function of Employees is to design, manage, implement and evaluate the activities carried out. An employee's work motivation will be low if what he gets does not match what he does, such as the need for food, drink, housing, air, and so on is not fulfilled by being an employee. Employees still do not feel safe with the need for freedom from threats, namely feeling safe from the threat of accidents and safety in carrying out work (Izzah & Ardiani, 2016)

Based on the results of observations made, some of the employees stated that they tended to have no enthusiasm at work due to the lack of attention from the leadership towards their work. One of the ways to optimize employee performance is to provide remuneration (incentives) that are not intentionally given to employees so that they have a greater enthusiasm to improve work performance so that their productivity and performance increase.

Providing incentives within an agency or organization plays an important role because it is believed to be able to overcome various problems in an increasingly complex workplace such as low performance due to the enthusiasm and enthusiasm of employees who are still not fully good, this can be due to a lack of work motivation, employee status (non-permanent employees) and there is no additional income for employees other than salary. For companies, the provision of incentives is expected to improve employee performance, work productivity, loyalty, discipline, sense of responsibility towards position and improve the quality of leadership for employees, with the provision of incentives they have the opportunity to increase income (Harahap et al., 2020).

Providing the right incentives can provide motivation work for employees because employees feel valued accordingly with their abilities and performance (Nurlina & Jumady, 2022). Incentives too improve the welfare of life and build motivation work so that maximum performance can be achieved. That matter must be considered by management to achieve standards preset performance(S. M. Hasibuan, 2018). Besides providing incentives, in managing human resources it is necessary to provide punishment so that employees or employees can achieve good performance. See thing mentioned, it can be said that the provision of incentives and Punishment is a way to trigger employees or employees to always show the best performance in carrying out their duties.

The completion of tasks quickly and well will have a direct effect on the performance of employees and the agency itself. Incentives are no less important than work motivation. An employee who is given high incentives will also describe high morale, and employees who have high work discipline will tend to have better/higher performance (Ardian, 2019).

The second factor is job satisfaction. Job satisfaction is one of the important factors that affect performance because most of human time is spent at work. (Mathis & Jackson, 2016) stated that job satisfaction is a general attitude towards one's work as the difference between the amount of rewards workers receive and the amount they believe they should receive. According to (Gomes, 2015), job satisfaction is an important part of the soul and behavior.

The next factor is that some employees state that they tend to have no motivation to work. Work motivation is very important because with work motivation, employees will be more enthusiastic in carrying out the tasks assigned and can improve employee performance. Lack of work motivation will affect the decrease in employee morale, so that their performance can decrease. Employee job satisfaction is an important target in human resource management, because it directly or indirectly affects employee performance.

The results of the author's observation that one of the problems with employees is low performance which is caused by the lack of attention from the leadership towards employee performance and will be related to providing incentives and employee dissatisfaction with the work done so far. Job satisfaction at work is job satisfaction enjoyed at work by obtaining praise for work, placement, treatment, equipment, and a good working environment. Employees who prefer to enjoy job satisfaction at work will prioritize their work over remuneration even though remuneration is important (S. M. Hasibuan, 2018).

Research (Rohmania, 2020) shows that job satisfaction is positively related to performance. a person will increase if in the organization there are human relations activities that bring social and psychological satisfaction to workers. Social satisfaction demands social freedom in carrying out tasks, while psychological satisfaction can be fulfilled by giving someone the opportunity to participate in managerial decision making. Thus greater satisfaction will be obtained which will increase performance and productivity.

Employee responsibility for the Makassar City Regional Planning and Development Agency is still low. Judging from the presence of some employees, it seems that they are not doing their work and are neglecting their responsibilities in earnest, when the leadership asks for the results of their responsibilities, employees tend to collect them at random, without checking before handing them over to the leadership. This shows their lack of sincerity and perseverance in work.

Job satisfaction is an employee's emotional state that occurs or does not occur at the meeting point between the value of employee compensation and the organization or organization with the level of value of compensation that is desired by the employee concerned (M. S. . Hasibuan, 2017). Job satisfaction in any case is very important because the tendency to improve employee performance in the company will not be achieved without employee job satisfaction. Employees who feel satisfied at work will always have a positive attitude and always have high creativity (Winata et al., 2016).

(Tănăsescu & Leon, 2019) states that the better the employee's job satisfaction, this will affect the high performance of employees in completing their tasks. Satisfaction with work, wages, promotions, relationships with colleagues and supervision carried out by the leadership, this will affect employee performance. This opinion is supported by the results of (Winata et al., 2016) which states that job satisfaction has a positive and significant effect on employee performance. The more satisfied employees are with their work, the more employee performance will increase (Wahjoedi, 2021).

From the explanation above, it can be said that employee job satisfaction has an influence on employee performance. The more employee satisfaction increases, the higher the performance. Thus it can be suspected that there is an influence of job satisfaction on employee performance. The

results of the author's observations show that some employees steal time during working hours, such as sitting in front of a computer screen, but instead their eyes focus on social media pages. The low performance of Makassar City Regional Planning and Development Agency employees is due to the principle that work is only to earn money, there is no contribution from employees for organizational progress, and the feeling that the work that has been carried out has not been able to realize the desired goals.

RESEARCH METHOD

In this study the method used by the author is a quantitative descriptive research with a causal approach (cause and effect). The causal research method (cause and effect) will look for a picture of the relationship, effect, impact, and causation (cause) of various concepts or as a factor or several ways that are designed in management science. The population of this study are employees of the Makassar City Regional Planning and Development Agency in 2022 with the status of 53 civil servants. According to (Ghozali, 2018) the sample is part of a particular population that is of concern. The sampling technique used in this study was the total sampling technique or saturated sample, namely civil servants who were still actively working at the Makassar City Bappeda office as many as 53 respondents. Data collection techniques used in this study using: a) Observation; carried out by direct observation at the Makassar City Bappeda Office which is the object of research, b) Questionnaire; This is done by giving a set of written statements or questions to the respondent to answer, using a questionnaire with a scale of 1-5 using the agree-disagree scale method, c) Interview; This is done if the researcher wants to conduct a preliminary study to find a problem that must be studied.

The data analysis technique in this study was descriptive analysis and the influence between variables using the SPSS version 22 assistance program, then testing the level of validity and reliability testing. then by looking at the root of the score of each variable. Then proceed with testing the hypothesis by looking at the value of R² (R Square). To test the effect of the dependent variable, the effect test is used, namely Multiple Linear Regression. The regression equation model to be studied is as follows:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + e \quad \dots\dots\dots (1)$$

RESULTS AND DISCUSSIONS

The descriptive statistics in this study are based on the answers of 53 respondents who aim to see an overview of the data used in this study. The results of research statistical calculations for each variable can be explained in the following table.

Table 1. Demographic Profile of Sample Respondents

	n	%
<i>Gender</i>		
Male	29	56,40
Female	24	43,60
<i>Age</i>		
Below 21 Years	4	7,64
21 – 30 Years	16	30,19
31 – 40 Years	16	30,19
Over 40 Years	17	32,08
<i>Educational Attainment</i>		
< Bachelor's degree	13	24,53
Bachelor's degree	31	58,50
Master's degree	9	16,97
<i>Years of experience</i>		
Below 10 Years	13	24,53

10 - 15 Years	20	37,74
16 - 20 Years	14	26,41
Over 20 Years	6	11,32

Notes: $n = 53$

Source: processed data, 2022

As shown in Table I, the results show that the majority of sample respondents are male (56,40 percent), and those aged over 40 years are 32,08 percent. Most of the sample respondents attained a bachelor's degree (58,50 percent). Finally, the majority of sample respondents have 10 - 15 years of work experience in their current positions (20 respondents or 37,74 percent)

Table 2. Descriptive Statistics

	Mean	Std. Deviation	n
Employee performance	4,3176	,17256	53
Job satisfaction	4,1664	,18392	53
Incentive	4,0767	,18276	53

Source: processed data, 2022

From the output of SPSS 22.00 in the table above we can see that from the number of respondents as many as 53 respondents, it can be concluded that the performance variable of Office of the Regional Planning and Development Agency for the City of Makassar (Y) has an average of 4,3176 and has a standard deviation of 0,17256. The employee job satisfaction variable (X_2) has an average value of 4,1664 and a standard deviation of 0,18392. For the variable Incentive (X_1) has an average value of 4,0767 with a standard deviation of 0.18276.

Table 3. Validity and Reliability Test

Items	Pearson Correlation	Cronbach's Alpha
X_{11}	0,636	0,843
X_{12}	0,872	
X_{13}	0,886	
X_{21}	0,804	0,821
X_{22}	0,779	
X_{23}	0,780	
X_{24}	0,779	
Y_{11}	0,714	0,816
Y_{12}	0,854	
Y_{13}	0,842	
Y_{14}	0,762	

Source: processed data, 2022

Based on table 3, it explains that the overall validity and reliability tests carried out on each independent and dependent variable are declared valid. Based on the total acquisition of personal correlation values from all measuring variables that meet the requirements. Whereas in the Cronbach's Alpha test for the variable job satisfaction it shows results worth $0.821 > 0.60$, incentive worth $0.843 > 0.60$, while employee performance variables worth $0.816 > 0.60$.

The influence of incentives and job satisfaction variables on employee performance at the Makassar City Regional Planning and Development Agency Office can be seen from the results of the regression test in the table below:

Table 4. Linear Regression Analysis Results

Variable	Koef. Reg.	T-count	T-tab
Constan	5,023		
X1 = Incentive	0,268	2,813	1,782
X2 = Job Satisfaction	0,270	2,925	1,782
Correlation (R)	0,590		
R Square (R ²)	0,348		
F-test	16,576		
F-table	4,292		
Sign.	0,000		

Source: processed data, 2022

The magnitude of the coefficient of determination (R^2) in the table above is 0.348. this value means that the variation that occurs in employee performance (variable Y) of 0.348 can be explained through incentives and job satisfaction. The magnitude of the influence of other variables not included in this study (ϵ_i) is 0.652, which means that the variation that occurs at the employee performance level of 65.2% can be explained through variables other than incentives and job satisfaction. Based on the test results in table 4 above, it can be partial testing of the variables in this study was carried out, namely:

Effect Incentive (X1) on Employee Performance (Y)

The first hypothesis (H1): The criteria for the t test in table 4 above include the t-count incentive value of 2,813 and it is significant at the level of confidence ($\alpha = 0.05$), the p-value is $0.01 < 0.05$. The t_{table} value at $\alpha = 0.05$ and with degrees of freedom = 50 is = 1,782 . The t-count value is $2,813 > t\text{-table } 1,782$. The value of the regression coefficient of the incentive variable is 0,268. This provides evidence that the first hypothesis proposed is accepted that incentives have a positive and significant effect on employee performance at the Makassar City Regional Planning and Development Agency Office.

Incentives are contributions to the company or organization for employees. (M. S. . Hasibuan, 2017) stated that all income in the form of money, direct or indirect goods received by employees as compensation for the services provided is called incentives. This is in accordance with research conducted by (Barusman & Amelia, 2021) and (Jannah & JUmady, 2020) which states that incentives have a positive and significant effect on employee performance means that the incentives given to employees greatly affect the level of job satisfaction and work motivation, as well as work results.

Employees at the Makassar City Regional Development Planning Agency office feel that giving incentives can have a positive impact in efforts to improve performance, this is evidenced by the existence of incentive-based performance assessments such as giving bonuses such as TOL (other operational allowances) where this TOL is only given for additional TPP (Additional Income Improvement), social intensive provision in the form of BPJS services. The discrepancy of research conducted by (Sidik et al., 2021) which states that incentives do not affect employee performance.

Effect Job Satisfaction (X2) on Employee Performance (Y)

The Second hypothesis (H2): The criteria for the t test in table 4 above include the t-count job satisfaction value of 2,925 and it is significant at the level of confidence ($\alpha = 0.05$), the p-value is $0.01 < 0.05$. The t_{table} value at $\alpha = 0.05$ and with degrees of freedom = 50 is = 1,782 . The t-count value is $2,925 > t\text{-table } 1,782$. The value of the regression coefficient of the incentive variable is 0,270. This provides evidence that the first hypothesis proposed is accepted that job satisfaction have a positive and significant effect on employee performance at the Makassar City Regional Planning and Development Agency Office. So that the variable of job satisfaction has a contribution to employee performance. Positive t-count values indicate that job satisfaction has a

direct relationship with employee performance, namely job satisfaction variable has a significant positive effect on employee performance.

This means that the fifth hypothesis is accepted. The results of this study can be seen that with good job satisfaction from an agency will be promoted, there is good cooperation and supervision from superiors so as to improve employee performance. This result is in accordance with the conclusions made (Hosniyatun et al., 2016) which states that high job satisfaction will also have a good influence on employee performance. The results of this study are in line with Saputra's research (Winata et al., 2016) and (Juniantara & Riana, 2015) which states that if an employee's satisfaction increases, this will have a positive impact on performance.

CONCLUSION

Based on the results of testing the existing hypotheses and the results of data analysis and the discussion that has been put forward, the conclusions that can be drawn are: 1) Incentives have a positive and significant effect on performance at the Makassar City Regional Development Planning Agency Office. These results prove that the first hypothesis is accepted. 2) Job satisfaction has a positive and significant effect on performance at the Makassar City Bappeda Office. These results prove that the second hypothesis is accepted. The results of this study are expected to provide information as a basis for consideration, support, and contribution of ideas to decision makers in implementing incentive systems to improve employee performance. The system of providing incentives and job satisfaction makes a very significant contribution to improving employee performance. Because of that, it is necessary to make efforts to maintain the current incentive system in order to be able to bring about a better increase in organizational performance. Future research can further develop a wider range of variables beyond incentives and job satisfaction that improve employee performance, such as role conflict and leadership. Then, with a sample limit that only examines employees with civil servant status, in the future future researchers can include respondents from contract employees.

References

- Ardian, N. (2019). Pengaruh insentif berbasis kinerja, motivasi kerja, dan kemampuan kerja terhadap prestasi kerja pegawai UNPAB. *JURNAL Kajian Ekonomi Dan Kebijakan Publik*, 4(2), 119-132.
- Barusman, M. Y. S., & Amelia, E. (2021). *Pengaruh Insentif Terhadap Motivasi Kerja di Auto 2000 Raden Intan Bandar Lampung*. 1-5.
- Ghozali, I. (2018). *Aplikasi Analisis Multivariat Dengan Program IBM SPSS Edisi 7*. Penerbit Universitas Diponegoro.
- Gomes, F. C. (2015). *Manajemen Sumberdaya Manusia*. Penerbit Andi Offset.
- Harahap, L. F., Suriadi, Nurhasanah, L., Ridha, H., & Wahyuni, D. S. (2020). *Pengaruh Sikap Kerja, Komitmen Profesi dan Motivasi Kerja Terhadap Kinerja Pegawai di Inspektorat Daerah Kabupaten Labuhanbatu Selatan*. 2(2), 179-188.
- Hasibuan, M. S. . (2017). *Manajemen Sumber Daya Manusia, Edisi Revisi, Cetakan Keempat*. Penerbit Bumi Aksara.
- Hasibuan, S. M. (2018). Pengaruh Kepemimpinan, Lingkungan Kerja dan Motivasi Kerja Terhadap Kinerja. *Maneggio: Jurnal Ilmiah Magister Manajemen*, 1(1), 71-80.
- Hosniyatun, A., Poernomo, D., & Puspitaningtyas, Z. (2016). *Pengaruh Mutasi, Promosi dan Kepuasan Kerja terhadap Kinerja Pegawai (Studi pada RSUD dr. Abdoer Rahem Situbondo)*.
- Izzah, N., & Ardiani, I. (2016). Pengaruh Kompensasi Dan Disiplin Kerja Terhadap Produktivitas Kerja Karyawan Pada Mechanical Division PT Mulia Makmur Elektrikatama. *BIJAK: Majalah Ilmiah Ilmu Administrasi*, XIII(02), 210-222.
- Jannah, A. S. R., & JUmady, E. (2020). Efek Pemberian Insentif Dan Komitmen Dalam Upaya Peningkatan Produktivitas Kerja Karyawan Pt Gelael Supermarket Makassar. *Al-KALAM:*

- Jurnal Komunikasi, Bisnis Dan Manajemen*, 7(2), 83–94.
- Juniantara, I. W., & Riana, I. G. (2015). Pengaruh Motivasi Dan Kepuasan Kerja Terhadap Kinerja Karyawan Koperasi Di Denpasar. *E-Jurnal Ekonomi Dan Bisnis Universitas Udayana*, 4(09), 611–628.
- Mathis, R. L., & Jackson, J. H. (2016). *Manajemen Sumber Daya Manusia Penerjemah Jimmi Sadeli Dan Bayu Prawira Hie*. Penerbit Salemba Empat.
- Nurlina, & Jumady, E. (2022). *The Influence of Environment , Workload , Financial and Non- Financial Compensation on Work Motivation at DPMPTSP Makassar*. 6(1), 1–7. <https://doi.org/10.29099/ijair.v6i1.423>
- Sidik, M. R., Tawas, Y., & Angmalisang, S. (2021). Pengaruh Pemberian Insentif Terhadap Kinerja Karyawan Bpjs Kesehatan Cabang Tondano. *Jurnal Manajemen Dan Bisnis*, 6(10).
- Sinambela, L. P. (2021). *Manajemen Sumber Daya Manusia: Membangun Tim Kerja Yang Solid Untuk Meningkatkan Kinerja*. Penerbit PT. Bumi Aksara.
- Sinamo, J. H. (2018). *Etos Kerja Profesional Navigator Anda Menuju Sukses*. PT Spirit Mahardika.
- Tănăsescu, C., & Leon, R. (2019). *Human Resources Practices in the Romanian Banking System : Rewards , Job Satisfaction , and Job Performance*. 7(4), 469–483. <https://doi.org/10.25019/MDKE/7.4.02>
- Wahjoedi, T. (2021). *The effect of organizational culture on employee performance mediated by job satisfaction and work motivation: Evident from SMEs in Indonesia*. 11, 2053–2060. <https://doi.org/10.5267/j.msl.2021.3.004>
- Wibiantoro, E. (2020). *Penerapan Manajemen Konflik untuk Meningkatkan Produktivitas Karyawan di KSP Intan Sejahtera Demak (Doctoral dissertation, IAIN KUDUS)*.
- Winata, E., Tinggi, S., & Sukma, I. M. (2016). Pengaruh Kepuasan Kerja dan Kompensasi terhadap Kinerja Karyawan pada Hotel Inna Dharma Deli Medan. *Jurnal Ilman*, 4(1), 1–17.