
The Influence of Motivation and Incentives on Employee Performance at the Luwu Regency Inspectorate Office

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ABSTRACT

This research aims to determine the effect of motivation and incentives on employee performance. This type of research is quantitative research. The data collection method for this research uses a questionnaire addressed to all employees of the Luwu Regency Inspectorate. The sampling technique used is saturated sampling where the entire population is sampled. The sample used for this research was 160 people. The analytical methods used are validity, reliability, and multiple regression tests. The research results show that: 1) motivation has a positive and significant effect on the performance of Luwu Regency Inspectorate employees, and 2) incentives have a positive and significant effect on the performance of Luwu Regency Inspectorate employees.

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1. INTRODUCTION

Human resources are critical in helping an organization achieve its goals. Human resources are an important component of organizational development, and efforts to increase human resources are a vital strategy for survival in a more competitive globalized era. Organizations are social units that are purposefully aligned with identifiable responsive boundaries and operate continually to attain common goals. [1].

Performance refers to a person's total level of success in carrying out a task over time. To attain good performance, a person must have the capacity, desire, effort, and activeness to work in such a way that they do not encounter major impediments in their environment. [2]. Good performance is basically a performance that meets organizational standards in supporting the achievement of organizational goals. A good organization should be an organization that tries to improve the capabilities of its employee resources; improving employee performance will have an impact on progress for the company, so the most serious effort in achieving success in realizing goals in the survival of the company.[3].

Motivation is a person's desire to work, which determines their ability to act to achieve their needs. Needs are inadequacies, whether physical or psychological, that make someone appear appealing. [4]. Motivation is the assistance that other people provide to help us alter ourselves. Motivation is critical for success since it can encourage someone to keep going forward. [5]

Incentives are forms of incentive that urge employees to perform to the best of their abilities to earn more money than the stated salary or wage. Providing incentives is intended to address the requirements of employees and their families. The term incentive often refers to wage payment arrangements that are directly or indirectly tied to specific employee performance requirements or organizational profitability.[6]

Previous research conducted by [7] offering incentives affects PT staff' performance concurrently. Central Percasa Tacindo Sidoarjo. Employee performance is positively and significantly impacted by incentives. Offering incentives is the most powerful component in this study compared to the other variables. The research results according to [8] The study titled "The Effect of Incentives and Motivation on the Performance of Grab Bike Drivers (Case Study of Grab Bike Drivers in Malang City)" found that incentives had no meaningful effect on driver performance whereas motivation does. Therefore, scholars are interested in doing study at the Luwu Regency Inspectorate. The purpose of this study is to evaluate how motivation and incentives affect staff performance at the Luwu Regency Inspectorate office.

2. RESEARCH METHOD

A quantitative method of research was employed in this study. The study's population comprised 160 individuals who worked as employees of the Luwu Regency Inspectorate. Saturated sampling is the method of sampling in which every member of the population is included. A questionnaire was employed in this study as the data gathering tool. Validity and reliability testing are the two components of the data quality testing method utilized in this study. The multiple regression test, the simultaneous test (f test), the partial test (t test), and the coefficient of determination test (R²) comprise hypothesis testing. Figure illustrates a conceptual framework that explains how employee performance is affected by incentives and motivation.

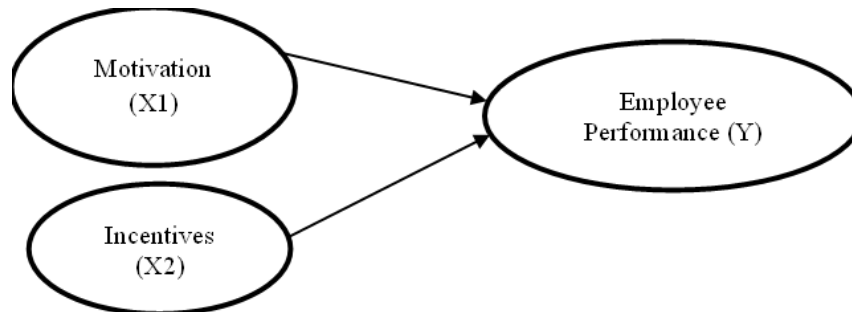


Figure 1. Conceptual Framework

The hypotheses proposed in this research are as follows:

H1: It is suspected that there is an influence of motivation on employee performance.

H2: It is suspected that there is an influence of incentives on employee performance.

3. RESULTS AND ANALYSIS

3.1. Validity Test

This test is used to check whether the research statement is valid or not. The purpose of the validity test is to compare the calculated r value with the r table. The statement element is valid if $r_{\text{count}} > r_{\text{table}}$.

Table 1. Validity Test Results

Variabel	Instrument	r count	r table	Information
Motivation (X1)	Statement X1.1	0,929	0,155	Valid
	Statement X1.2	0,452	0,155	Valid
	Statement X1.3	0,927	0,155	Valid
	Statement X1.4	0,937	0,155	Valid
	Statement X1.5	0,454	0,155	Valid
	Statement X1.6	0,918	0,155	Valid
	Statement X1.7	0,921	0,155	Valid
	Statement X1.8	0,358	0,155	Valid
Incentives (X2)	Statement X2.1	0,374	0,155	Valid
	Statement X2.2	0,618	0,155	Valid
	Statement X2.3	0,831	0,155	Valid
	Statement X2.4	0,792	0,155	Valid
	Statement X2.5	0,413	0,155	Valid
	Statement X2.6	0,639	0,155	Valid
	Statement X2.7	0,819	0,155	Valid
	Statement X2.8	0,405	0,155	Valid
Employee Performance (Y)	Statement Y1	0,443	0,155	Valid
	Statement Y2	0,668	0,155	Valid
	Statement Y3	0,446	0,155	Valid
	Statement Y4	0,670	0,155	Valid
	Statement Y5	0,492	0,155	Valid
	Statement Y6	0,486	0,155	Valid

Statement Y7	0,596	0,155	Valid
Statement Y8	0,421	0,155	Valid

Source: processed primary data (2023)

3.2. Reliability Test

Reliability testing is a measuring tool used to determine the consistency of a questionnaire which is an indicator of a variable. A survey can be said to be reliable if the respondents' answers to the questions are balanced and relevant at that time.

Table 2. Reliability Test

Variabel	Cronbach's Alpha	Reliability limits	Information
Motivation (X1)	0,882	0,60	Reliabel
Incentives (X2)	0,771	0,60	Reliabel
Employee Performance (Y)	0,619	0,60	Reliabel

Source: processed primary data (2023)

From the results of the reliability test above, it is concluded that each variable has a significant Cronbach's alpha value, namely greater than 0.60. Therefore, the measurement concept of each variable in the questionnaire can be said to be reliable, and the items related to the variable concept can be considered as measurement tools.

3.3. Hypothesis Test

3.3.1. Multiple Linear Regression Test

The multiple linear regression test is a model test that includes several independent variables to see how the independent variable influences the dependent variable.

Table 3. Multiple Linear Regression Test

Model		Unstandardized		Standardized		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	13,587	1,422		9,557	,000
	Motivation	,223	,065	,333	3,463	,001
	Incentives	,362	,078	,446	4,642	,000

a. Dependent Variable:
Employee Performance

Source: processed primary data (2023)

The multiple linear regression equation in this research based on the table above is as follows:

$$Y = 13.587 + 0.223 (X1) + 0.362 (X2) + e$$

The multiple linear regression equation can be interpreted as follows:

- The constant value (a) of 13.587 is the performance of Luwu Regency Inspectorate office employees when the variables (X1) and (X2) are constant (fixed).
- The regression coefficient value (B1) is 0.223 units, meaning that the regression coefficient value (X2) for each increase in variable (X1) by one unit means employee performance increases by 0.223 units assuming that variable X2 is considered fixed or constant.
- The coefficient value (B2) is 0.362 units, meaning that for every increase in the variable (X2) by one unit, employee performance increases by 0.362 units, assuming that the variable X1 is considered fixed or constant.

3.3.2. Coefficient of Determination Test (R2)

Table 4. Coefficient of Determination Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	,746 ^a	,556	,551	1,469

Source: processed primary data (2023)

From the table above, the value of the coefficient of determination (R²) in the Adjusted R² column is 0.551. Thus, the magnitude of the influence of motivation and incentive variables on employee performance is 55.1% and the remaining 44.9% is influenced by other variables not examined in this research.

3.3.3. Partial Test

Table 5. Partial Test Results

Model		Unstandardized B	Coefficients Std. Error	Standardized		
				Beta	t	Sig.
1	(Constant)	13,587	1,422		9,557	,000
	Motivation	,223	,065	,333	3,463	,001
	Incentives	,362	,078	,446	4,642	,000

a. Dependent Variable:

Employee Performance

Source: processed primary data (2023)

From the t test results table above, the calculated t value of the motivation variable is 3.463, which means that the calculated t value of this variable is > t table value (1.654) and the sig value. 0.001 < 0.05, so it can be said that the motivation variable has a positive and significant influence on employee performance variables. Meanwhile, the incentive variable shows the calculated t value (4.642), this value is also > t table value (1.654) and the sig value. 0.000 < 0.05, which means that the incentive variable has a positive and significant effect on employee performance.

3.4. Discussion

3.4.1. The Influence of Motivation on Employee Performance

Based on the results of the research that has been conducted, it can be concluded that motivation has a significant effect on employee performance at the Luwu Regency Inspectorate office. So, the first hypothesis in this study, H₁, is accepted and H₀ is rejected. This is reinforced by the results of the t test between motivation variables and employee performance with a significant value of 0.001 < 0.05. Apart from that, the relationship between the two variables can be seen from the calculated t value of 3.463, meaning > t table of 1.654 and the B value is known to be 0.223. The conclusion is that the motivation variable has a significant effect on employee performance. The results of this research are in line with research conducted [9] which shows that motivation has a positive and significant effect on employee performance.

3.4.2. The Effect of Incentives on Employee Performance

Based on the results of the research that has been conducted, it can be concluded that incentives have a significant effect on employee performance at the Luwu Regency Inspectorate office. So the second hypothesis in this study, H₂, is accepted and H₀ is rejected. This is reinforced by the results of the t test between incentive variables and employee performance with a significant value of 0.000 < 0.05. Apart from that, the relationship between the two variables can be seen from the calculated t value of 4.642, meaning > t table of 1.654 and the B value is known to be 0.362. The conclusion is that the incentive variable has a significant effect on employee performance. This is in line with the test results from previous research conducted [10] the results support the existence of a significant influence between the influence of providing incentives on performance which also examines the variable influence of providing incentives on employee performance.

4. CONCLUSION

Motivation has a positive and significant effect on employee performance at the Luwu Regency Inspectorate office. This significant influence means that the better and increased the work motivation given to employees, the employee performance will increase. Conversely, the lower the work motivation given to employees, the lower the employee's performance. Incentives have a positive and significant effect on employee performance at the Luwu Regency Inspectorate Office, meaning that the higher the level of employee performance in incentives, the higher the employee performance at the Luwu Regency Inspectorate Office.

Employees always carry out their duties responsibly by always maintaining high performance and motivation at work and making the best use of career opportunities, so employee performance can be improved by encouraging work enthusiasm and a sense of creativity in their work. Intelligence also needs to be shown to help coworkers as soon as possible after completing their work, so that apart from office work, employees also interact with coworkers.

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