

**THE EFFECT OF GIVING INCENTIVES ON EMPLOYEE PERFORMANCE AT PT. GEMILANG PERKASA IN JAKARTA**

**<sup>1\*</sup>Hernawan Hanif, <sup>2</sup>Suratminingsih, <sup>3</sup>Rofiq Noorman Haryadi**  
STEBIS Bina Mandiri, Bogor, Indonesia

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**ABSTRACT**

This study aims to determine the effect of providing incentives on employee performance at PT Gemilang Perkasa in Jakarta. The method used is explanatory research with a sample of 82 respondents. The analysis technique uses statistical analysis with regression testing, correlation, determination and hypothesis testing. The results of this research variable giving incentives obtained an average score of 3.81 with good criteria. The employee performance variable obtained an average score of 3.90 with good criteria. Providing incentives has a significant effect on employee performance with the regression equation  $Y = 14.343 + 0.647X$ , and a correlation value of 0.760 or having a strong relationship with a contribution of 57.8% and the hypothesis test obtained sig.  $0.000 < 0.05$ .

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**Corresponding Author:**

Hernawan Hanif

STEBIS Bina Mandiri, Bogor, Indonesia

Email: [hernawanhanif30@gmail.com](mailto:hernawanhanif30@gmail.com)

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**INTRODUCTION**

One of the benchmarks for the success of a company is marked by maximum performance. Performance is a real behavior that is displayed by everyone as work performance produced by employees according to their role in the company. Employee performance is a very important thing in the company's efforts to achieve goals.

In everyday reality, companies really only expect the best performance or work results from their employees. However, the best work results will not be fully optimal from employees and beneficial to the company if the company does not provide the most appropriate equipment, good work methods, funds and other work contexts in sufficient quantity and quality. It is very important for a company to pay close attention and objectively if one day it finds the totality of the performance display of its employees low, this could be due to the low ability and morale of employees, and the company does

not provide the right equipment, methods and working funds and sufficient.

One of the ways to optimize employee performance is by giving rewards (incentives) that are accidentally given to employees so that they have a greater enthusiasm to improve work performance so that their productivity and performance increase. Giving incentives in a company 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 (not employees). fixed) 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, incentives,

Companies must pay attention to providing incentives to employees. Whether or not the enthusiasm of employees to work can also be caused by the size of the incentives

received. If the incentives received by employees are not proportional to the sacrifices given at work, then the motivation possessed by employees is reduced in working so that it affects the output of the company and has direct implications for the income received by the company. Therefore the regulations for providing incentives must be regulated properly and with the right policies as well.

Besides being useful for motivating employees, incentives must also be given to employees who have good performance. This is a tribute to their good performance which increases the company's income or performance. Awards are given so that they maintain good performance, because it does not rule out the possibility of employees improving their performance in the hope of receiving appreciation from the company so that they can improve their standard of living in a better direction.

According to Andrew F. Sikula and Hasibuan, an incentive is something that encourages or has a tendency to stimulate an activity, incentives are motives and rewards that are formed to improve production. Incentives are also additional remuneration given to certain employees whose achievements are above standard performance and this incentive is a tool used by supporters of the principle of fairness in awarding compensation.

Thus, it can be stated that incentives are elements of income or remuneration that are given in a non-fixed or variable manner depending on the condition of the achievement of employee performance. From the theory put forward that incentives are giving money outside of the salary that employees should receive given by company management as recognition for employee performance to the company. So the greater the contribution of an employee to the company, the greater the company should give as a reward to employees.

This does not only apply to companies engaged in privately owned financial services but in the automotive sector, incentive income is applied, such as PT Gemilang Perkasa.

PT Gemilang Perkasa is a company engaged in the automotive sector. Since the beginning of the opening of the PT Gemilang Perkasa company, the management of PT Gemilang Perkasa has implemented an

incentive policy for all employees in the operational and non-operational sections, this is done to encourage employee performance. Good employee performance will have a positive impact on the development of employees and the company.

Companies can provide remuneration directly to employees who show their superior work performance. This method is very effective in encouraging morale and improving performance. In addition, the provision of this incentive must pay attention to and be adjusted to the principle of personnel administration, namely in providing remuneration it must be based on the results or achievements achieved and the amount of responsibility of each employee in the organization concerned.

Based on the description above, the writer is interested in conducting research by taking the title: "The Effect of Providing Incentives on Employee Performance at PT Gemilang Perkasa in Jakarta".

## METHOD

The research methods employed in this study encompass various aspects. Firstly, the population under investigation consists of the employees of PT Gemilang Perkasa in Jakarta, which amounts to a total of 82 respondents. Moving on to the sampling technique, the study utilizes saturated sampling, meaning that all members of the population are included as samples. Consequently, the sample size for this study also amounts to 82 respondents.

Regarding the type of research conducted, an associative approach is employed. The primary objective of this research is to establish a correlation between the independent variables, such as incentives, and the dependent variable, which is employee performance.

To analyze the collected data, several methods are implemented. The authors conduct validity and reliability tests to ensure the accuracy and consistency of the data. Additionally, simple linear regression analysis is employed to examine the relationship between variables. The correlation coefficient analysis is performed to determine the strength and direction of the correlation. Furthermore, the authors utilize the coefficient of determination analysis to assess the proportion of the dependent variable's

variance that can be explained by the independent variables. Finally, hypothesis testing is conducted to evaluate the significance of the findings.

By utilizing these research methods, the study aims to gain insights into the impact of incentives on employee performance and uncover any relationships that exist between these variables.

highest scores, rating scores and standard deviations of each variable. The results are as follows:

**RESULTS AND DISCUSSION**

**1. Descriptive Analysis**

In this test it is used to determine the minimum and maximum scores of the

Table 1. Descriptive Statistics Analysis Results

Descriptive Statistics					
	N	Minimum	Maximum	Means	std. Deviation
Providing Incentives (X)	82	27	49	38.16	4,362
Employee Performance (Y)	82	30	50	39.02	3,712
Valid N (listwise)	82				

Giving incentives obtained a minimum variance of 27 and a maximum variance of 49 with a rating score of 3.81 with a standard deviation of 4.362.

Employee performance obtained a minimum variance of 30 and a maximum variance of 50 with a rating score of 3.90 with a standard deviation of 3.719.

In this analysis it is intended to determine the effect of the independent variables on the dependent variable. The test results are as follows:

**a. Simple Linear Regression Analysis**

This regression test is intended to determine changes in the dependent variable if the independent variable changes. The test results are as follows:

**2. Verification Analysis.**

Table 2. Simple Linear Regression Test Results

Model	Coefficients <sup>a</sup>				t	Sig.
	Unstandardized Coefficients		Standardized Coefficients			
	B	std. Error	Betas			
(Constant)	14,343	2,375			6,040	0
1 Providing Incentives (X)	0.647	62	0.76		10,461	0

a. Dependent Variable: Employee Performance (Y)

Based on the test results in the table above, the regression equation  $Y = 14.343 + 0.647X$  is obtained. From these equations can be explained as follows:

- 1) The constant obtained is 14.343, which means that if there is no incentive or is constant, then there is an employee performance value of 14.343 points.
- 2) The regression coefficient for giving incentives is 0.647, where the number is positive, meaning

that every time there is an increase in giving incentives by 0.647 points, employee performance will also increase by 0.647 points.

**b. Correlation Coefficient Analysis**

Analysis of the correlation coefficient is intended to determine the level of the strength of the relationship from the independent variable to the dependent variable is good. The test results are as follows:

Table 3. Correlation Coefficient Test Results for Giving Incentives to Employee Performance

**Correlations<sup>b</sup>**

		Providing Incentives (X)	Employee Performance (Y)
Providing Incentives (X)	Pearson Correlation	1	.760**
	Sig. (2-tailed)		0
Employee Performance (Y)	Pearson Correlation	.760**	1
	Sig. (2-tailed)	0	

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

b. Listwise N=82

Based on the test results in the table above, a correlation coefficient value of 0.760 is obtained, meaning that incentives have a strong relationship to employee performance.

Analysis of the coefficient of determination is intended to determine the percentage of influence of the independent variable on the dependent variable. The test results are as follows:

**c. Analysis of the Coefficient of Determination**

Table 4. Test Results for the Coefficient of Determination of Providing Incentives on Employee Performance

Summary models				
Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.760a	0.578	0.572	2,427

a. Predictors: (Constant), Incentives (X)

Based on the test results in the table above, a coefficient of determination of 0.578 is obtained, meaning that incentives contribute 57.8% to employee performance and the remaining 42.2% is influenced by other factors that were not studied.

Hypothesis testing with the t test is used with the aim of knowing which hypothesis is accepted.

Formulation of the hypothesis: There is a positive and significant influence between the provision of incentives on employee performance.

**d. Hypothesis testing**

Table 5. Hypothesis Test Results for Providing Incentives on Employee Performance

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	std. Error	Betas		
	(Constant)	14,343	2,375		6,040	0
1	Providing Incentives (X)	0.647	62	0.76	10,461	0

a. Dependent Variable: Employee Performance (Y)

Based on the test results in the table above, the value of t count > t table or (10.461 > 1.990) is obtained, thus the hypothesis proposed that there is a significant influence between the provision of incentives on employee performance is accepted. The discussion of the research results reveals important

findings related to the variables of providing incentives and employee performance.

Firstly, based on the respondents' answers, the variable of providing incentives received a rating score of 3.81. This score falls within the range of 3.40 - 4.19, indicating a good condition. This suggests that the

practice of providing incentives in PT Gemilang Perkasa is already satisfactory.

Secondly, the variable of employee performance also obtained a favorable rating score of 3.90. Similarly, this score falls within the range of 3.40 - 4.19, indicating good performance among employees. It can be inferred that the employees' performance in the organization is in a satisfactory state.

Furthermore, the study found a significant and positive effect of incentives on employee performance. The regression equation  $Y = 17.517 + 0.565X$  represents the relationship between the variables, with Y representing employee performance and X representing the provision of incentives. The correlation coefficient value of 0.760 indicates a strong relationship between the variables. Additionally, the contribution value of 57.8% suggests that the provision of incentives explains a significant portion of the variance in employee performance.

The hypothesis testing conducted supports the findings, as the obtained t-value (10.461) is greater than the critical t-value (1.990). This result indicates that the hypothesis proposing a significant positive effect of incentives on employee performance is accepted.

In summary, the research findings indicate that the provision of incentives in PT Gemilang Perkasa has a positive and significant impact on employee performance. These results highlight the importance of incentives in motivating employees and enhancing their performance within the organization

### CONCLUSION

In conclusion, the results of this study indicate that the provision of incentives in PT Gemilang Perkasa is in a good and agreeable condition, as evidenced by a rating score of 3.81. Similarly, the employee performance variable received a rating score of 3.90, indicating satisfactory performance among the employees.

Moreover, the study reveals a positive and significant effect of incentives on employee performance. The regression equation,  $Y = 17.517 + 0.565X$ , signifies the relationship between the variables. The correlation coefficient value of 0.760 indicates a strong relationship, with incentives accounting for 57.8% of the variance in employee performance. It is important to note that the remaining 42.2% is influenced by other factors not examined in this study.

Hypothesis testing further supports these findings, as the obtained t-value (10.461) exceeds the critical t-value (1.990), and the significance value ( $0.000 < 0.05$ ) confirms the significance of the relationship. Overall, these results suggest that providing incentives positively impacts employee performance in PT Gemilang Perkasa.

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