# The Influence of Incentive and Motivation on **Employee Productivity in Koperasi Gotong Royong Mandiri**

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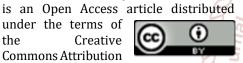
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The company's leadership will always strive in the 245 Human resource management can also produce good development of the company by involving all elements of management that exist and are supported by the readiness of human resources and other resources available in the company.

The development of science and technology is increasing so fast that this must be balanced with an increase in the existing human resources in the company to be able to follow developments that occur outside the company.

Human resources in the company must be properly prepared and maintained by the company's leadership and company policies in order to develop employee quality through improving formal and informal education.

In various countries and companies that have developed, human resources are the focus of countries and companies because human resources are the driving force of all activities of human life in this world and have allocated a large enough budget to improve the quality of human resources.

Human resource management is a field of management that specifically studies the relationship and role of humans in organizations where the contents of all material presented concerns human resources and all activities related to human resources within the company.

#### ABSTRACT

In carrying out activities in the company the employee will provide good performance when the employee gets incentives as additional income and encouragement from the leadership of the company.

A company leader must be able to direct his employees to work together and try to always provide guidance to employees to improve performance through motivation given by the leadership to employees.

Performance is the total of all activities carried out by all available resources in the company that work together so as to create a good work system in the company.

In this study a total of 44 respondents were all employees in the Koperasi Gotong Royong Mandiri and were used as a sample.

The results of the study explained that giving incentives had an effect on performance by 23.60% and motivation had an effect on performance by 5.44% and together the incentives and motivation had an effect on performance by 36.61%.

KEYWORDS: Incentives, Motivation and Performance

## 1. Background.

In the course of a company, the company's leadership has a very important role in the development of the company in the future so that the company can run well.

Development

performance in a company by way of assessment, giving rewards in each individual member of the organization in accordance with the ability to work where employees will work with the capabilities that exist in him.

One of the factors that can affect employee performance is the provision of incentives as remuneration provided by the company to employees as a result of the performance generated by employees in working for a certain period of time.

The company must create a schematic mechanism in providing incentives so that there is no impression that giving incentives is not influenced by likes and dislikes, but all are based on the employee's performance that results in work.

Each member of an organization has its own interests and goals when he joins the organization to realize his dream of getting a better life because there are expectations that will be received by employees such as: salary, bonuses, incentives, careers and positions.

For some employees, the hope of getting money is the only reason to work, but others argue that money is just one of many needs that are met through work that the company can provide to employees.

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Besides getting money to work, the employee also expects comfort and peace of mind at work so he really devotes his heart to work.

Someone who works will feel more valued by the surrounding community where he has a job that earns a legitimate income from the company and when compared to those who do not work so that employees will appreciate their work and hope to work in the company until the deadline to work, namely retirement. To ensure the achievement of harmony in objectives, the leadership of the organization can pay attention by providing compensation, because compensation is part of the reciprocal relationship between the organization and human resources.

According Handoko, 2001, explained that compensation is everything that employees receive as compensation for their work.

Compensation is also an award given by employees both directly and indirectly, financially and non-financially equitable to employees for their performance in achieving organizational goals, so that compensation is needed by any company to improve the performance of its employees.

Compensation given by the company to employees is a form of appreciation given by the company to employees for the achievements made by employees in work.

To improve the performance of the company's employees, it is also necessary to improve the ability to work through improving education, both formal education and training planned by the company to employees.

Employees who have good potential value can be sourced from within the company and from outside the company so that employee performance can be maintained in the future.

The company must allocate a budget in increasing the competence of its human resources every year to overcome obstacles in improving employee performance and company performance.

In achieving employee performance and in order to meet their needs, employees must have good performance in order to achieve common goals, namely employee goals and company goals.

Good performance results done by employees can increase sales that may exceed targets which ultimately exceed sales targets make employees get incentives from the sales results. In addition to employees who get incentives, the company will also get even greater profits from sales that exceed targets.

With the provision of incentives given to employees to make the resulting performance is very good for the company because the company will experience increased work productivity.

The provision of incentives is one of the efforts that must be considered by the company to encourage the employees of the company where they feel valued for their performance in working for a certain period of time. The spirit of whether or not employees can also be caused by the size of the incentives received because the incentive program provided by the company to encourage employees to work. If employees do not get incentives in accordance with the amount of sacrifice at work, then these employees tend to be lazy to work and not enthusiastic that they end up working as they wish without any high motivation.

With the provision of the right incentives and good ways of working, so that in the future, the work process of the organization can run according to organizational goals.

Meanwhile, according to Rivai, 2004, explained that incentives are: forms of payment associated with performance, as a distribution of benefits for employees.

Likewise, according to Mangkunegara, 2002, stated that incentives are: "a form of motivation expressed in the form of money on the basis of high performance and also a sense of recognition from the organization of employee performance and contribution to the organization (company)."

The experts above increasingly explain that incentives are giving money outside salary made by organizational leaders in recognition of employee performance to the company.

If the incentives given by the company are right, then the incentives given will improve the employee's performance because all employees will compete to get additional income to increase the life of the employee.

Performance is the end result of an employee and company activity where good performance will result in additional employee income and additional company income.

Efendy, 2002, explained that: performance is a performance that is the result of work produced by employees or actual behavior that is displayed in accordance with their role in the organization.

According to Bernadin and Russell, cited Faustino, 2000, explained that performance is an outcome resulting from the function of a particular job or activity during a certain period.

The experts above increasingly explain the performance is the result and work behavior produced by an employee in accordance with their role in the organization within a certain period. Good employee performance is one of the most important factors in efforts to increase productivity. Therefore, one of the best ways to improve employee performance is to provide incentives to employees so that they can motivate employees to further improve their performance, so that performance increases and the company is able to produce products at competitive prices.

The combination of excellence in the fields of production, distribution and marketing, Human Resources and technology makes the Koperasi Gotong Royong Mandiri the foremost player in the national fertilizer industry. This is what makes one of the visible attraction of each field as a whole in certain fields such as the fields of production, distribution and marketing, Human Resources and technology as a whole get incentives through their positions. The Koperasi Gotong Royong Mandiri provides incentives for every employee in any field as a whole or can be said to be globalized, but the division is seen from the positions held by each employee.

#### 2. Problem Formulation.

Based on the explanation in the background, the authors formulate the problem as follows:

- 1. How much influence the incentives have on employee productivity at the Koperasi Gotong Royong Mandiri.
- 2. How big is the influence of motivation on employee work productivity in Koperasi Gotong Royong Mandiri.
- 3. How much influence the incentives and motivations have on employee work productivity in the Koperasi Gotong Royong Mandiri.

#### 3. Research Objectives.

The purpose of this study was to determine how the effect of incentives and work motivation on employee performance in the Koperasi Gotong Royong Mandiri.

## 4. Research Benefits.

#### A. Practical benefits.

For the company, it is expected that this proposal can provide advice or input to the company in order to provide more appropriate incentives for employee performance in the company.

#### **B.** Theoretical Benefits.

To add insight or knowledge, especially in the field of human resource management.

#### 5. Definition of incentives.

One form of appreciation given by the company to employees is an incentive which is an employee's achievement in working in producing company productivity. With the provision of incentives to employees will give effect to the work of other employees so that all employees will work as well as possible in producing their respective performance.

Providing incentives is a company policy in increasing employee motivation and not all employees will get incentives because it depends on what is given by employees to the company.

The provision of incentives is a company burden that must be budgeted by the company at a certain period of time and overall this policy depends on the company's profit on employee productivity rather than the company's routine in providing incentives to employees.

Hasibuan, 2001, explained that "Incentives are additional remuneration given to certain employees whose performance is above the standard performance. These incentives are tools used to support the principle of fairness in providing compensation".

Then Panggabean, 2002, explained that "Incentives are direct rewards paid to employees because performance exceeds specified standards. Assuming that money can encourage employees to work harder, then those who are productive would prefer their salary to be paid based on work results".

#### 6. Definition of Motivation.

The company must always strive to move employees to work better from time to time so that employee goals and company goals can be jointly realized.

Cherrington, 1995, explained that motivation is a condition that moves people towards certain goals.

Gerhart Wright, 1996, also provides an explanation that motivation is the result of a number of processes that are internal or external to an individual that cause the emergence of an attitude of antusism and persistence in terms of carrying out certain activities.

Then Sedarmayanti, 2001, explained that motivation is a mental condition that encourages activity and gives energy that can lead to the achievement of needs and provide satisfaction or reduce imbalances.

#### 7. Understanding Performance.

The word performance is often also referred to as work productivity which describes a final process of an activity in one company at a certain period of time.

The word productivity comes from the word "Productive" which means it is something that contains the potential to be explored to produce something new.

Sedarmayanti, 2001, explained that performance is the output of drive from processes, human or ouherwise, so he said that performance is the result or output of a process.

Then Sulistiyani and Rosidah, 2003, explained that performance is a record of outcomes that result from certain employee functions or activities carried out over a certain period of time. While the performance of a position as a whole is equal to the number (average) of the performance of employee functions or activities carried out and the performance must not be any difference.

#### 8. Prior Research.

- 1. Ichsan, 2008, explained that the results of his research were that there was an influence between providing incentives to work performance at PT. Pos Indonesia (Persero) Malang.
- 2. Abayazid, 2009, explains that there is an effect of salary and incentive on employee productivity in Cv. Iindo Perkasa Computiindo.
- 3. Arindiah Citra Dewi and Agustin, 2010, explained that there was an influence of the provision of incentives for performance through job satisfaction for employees of Persada Supermarket Malang.
- 4. Koko Happy Anggriawan, Djamhur Hamid, M. Djudi Muknam, 2015, explained that the incentive and joint variables had an influence on the performance of Fcount 42.479 while the Ftable value was 3.11.
- 5. Desiana Dian Chandrawati, M. Al-Musadieq, M. Soe, Oed Hakam, 2013, explained that incentives have an influence on performance where this can be seen with Fcount> Ftable or 22,837> 3,156.
- 6. Adista Ega Friscillia, Christoffel Kojo, Lucky O. H. Dotulong, 2017, explained that there was an influence of

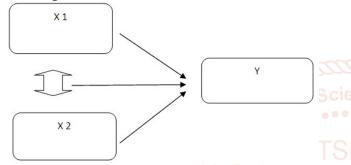
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incentives and motivation together on the performance of Fcount> Ftable or 5.551> 3.23.

- 7. Rusdha Khairati, 2013, explained that there was an influence between incentives and motivation together on the performance of the Regional Financial Service Employees in the South Coastal Regency by Fcount which got a p value of 0,000 less than 0.05, meaning that incentives and motivation had a large influence on performance.
- 8. Muhammad Nurhasan Rasyid, Diana K. Sulianti Tobing, M. Syaharudin, 2016, explained that there is an influence between incentives and motivation on organizational commitment.

#### 9. Conceptual Framework.

In facilitating the way of thinking, then a schema of thought or conceptual framework is made for the research being carried out so that it can facilitate the researcher in conducting further research.



#### 10. Premise.

In giving birth to a hypothesis must start from the formation of the premise that was preceded by theory, previous are research and frame of mind so that the premise is formed.

The premise is the basis for forming a hypothesis which is a 245 statement used as a basis for drawing conclusions.

In the research, the premise is used as a basis for conclusions based on the results of previous studies, namely:

#### Premise 1

Rusdha Khairati, 2013, explained that there was an influence between incentives and motivation together on the performance of Fesis District South Financial Service Officers for Fcount which got a p value of 0,000 less than 0.05 meaning that incentives and motivation had a large influence on performance.

#### Premise 2

Adista Ega Friscillia, Christoffel Kojo, Lucky O. H. Dotulong, 2017, explained that there was an influence of incentives and motivation together on the performance of Fcount> Ftable or 5.551> 3.23.

## Premise 3

Desiana Dian Chandrawati, M. Al-Musadieq, M. Soe, Oed Hakam, 2013, explained that incentives have an influence on performance where this can be seen with Fcount> Ftable or 22,837> 3,156.

#### Premise 4

Muhammad Nurhasan Rasyid, Diana K. Sulianti Tobing, M. Syaharudin, 2016, explained that there is an influence

between incentives and motivation on organizational commitment.

#### Premise 5

Arindiah Citra Dewi and Agustin, 2010, explained that there was an influence of the provision of incentives for performance through job satisfaction for employees of Persada Supermarket Malang.

#### Premise 6

Abayazid, 2009, explained that there was an effect of salary and incentives on employee productivity in the CV. Iindo Perkasa Computindo.

#### Premise 7

Ichsan, 2008, explained that the results of his research were intermediate influences incentives for work performance at PT. Pos Indonesia (Persero) Malang.

#### Premise 8

Koko Happy Anggriawan, Djamhur Hamid, M. Djudi Muknam, 2015, explained that the incentive and joint variables had an influence on the performance of Fcount 42.479 while the Ftable value was 3.11.

## Cie 11. Hypothesis.

Hypothesis is a temporary answer or opinion that must be proven true where the answer given is still an assumption on the relevant theory while the truth of the opinion needs to be tested or proven. (Moh. Nazir, 2000).

Based on the problem being researched and supported by a framework of thought, previous research and the premise, the following research hypotheses can be drawn:

**1.** There is an effect of providing incentives to employee performance in the Koperasi Gotong Royong Mandiri.

2. There is a motivational influence on employee performance in the Koperasi Gotong Royong Mandiri.

3. There is an influence of incentives and motivation on performance for employees of the Koperasi Gotong Royong Mandiri.

#### 12. Research Methods.

#### 12.1. Research sites.

In this research, the place or location of the research is the Koperasi Gotong RoyongMandiri located in Medan Estate Village, Percut Sei Tuan, Deli Serdang Regency.

The Koperasi Gotong Royong Mandiri is a cooperative that has been operating for a long time and has operational areas throughout Medan Estate Village, Percut Sei Tuan District, Deli Serdang Regency.

#### 12.2. Data Types and Sources.

In this study, the data used are primary data and secondary data collected using research instruments in the form of questionnaires, interviews, documentation and observation.

The research instrument is a tool used in finding data from various sources which is used as a tool to help in solving or solving problems that are being studied.

The research approach used is to use a descriptive analysis with a quantitative approach and assisted with the SPSS program meaning that the data collected on the questionnaire in the form of qualitative data is converted to quantitative data.

Quantitative approaches are used to find factual information on the problem being investigated in detail that is happening and to identify problems or to obtain information on the situation and activities that are running (Wahyuni and Mulyono, 2006). The approach is used to find out how the effect that occurs when giving incentives to employees will have an impact on performance.

#### 12.3. Primary Data Sources.

Primary data sources are sources of data obtained directly from the object and are processed directly from the subject and object of research directly related to research.

This primary data was collected from data from direct observations made by the writer and data from the filling in questionnaires for employees of the Koperasi Gotong Royong Mandiri which were distributed by the author and collected again by the author.

#### 12.4. Secondary Data Sources.

Secondary data is data in the form of figures obtained from direct research objects, namely from the Koperasi Gotong Royong Mandiri.

Secondary data in the study aims to help explain the primary data that is also obtained from the research object, namely the respondents of this study so that it can help explain the problem being studied.

Secondary data can be in the form of any kind of information that comes from research objects or from other sources such as: magazines, newspapers, books and the internet that helps the writer conduct this research at the Koperasi Gotong Royong Mandiri.

#### 12.5. Population and Sample.

In conducting research it cannot be separated from the respondent as the object of research that is used as a medium of information on the problems faced by researchers who want to find solutions to these problems.

Population is the whole unity of objects or subjects that are closely related to research and of course adapted to the root of the problem at the place of conducting research on the problems that occur. (Melva Sitanggang, Togu Harlen Lbn. Raja, 2011).

Sugiyono, 2008, explained that Population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions.

In the study that was made as a population, all 46 employees in the Koperasi Gotong Royong Mandiri.

In this study, it is also necessary to take a sample of respondents as a unit of analysis that is used as information in answering existing problems.

The sample is as representative or population that will be used as the unit of analysis under study.(Arikunto, 2002).

In relation to the number of staff in the Koperasi Gotong Royong Mandiri only 46 people, the overall population is sampled.

#### 13. Analysis and Evaluation.

13.1. Effect of Incentives (X1) on Performance (Y).

By looking at the background of this study and supported by theory and data and using data analysis with SPSS 16.0 it can be explained that the effect of the incentive variable (X1) partially on the performance variable (Y) is 23.60% which can be seen from the magnitude of t. count 23.60.

Partially, it can be explained that the effect of the incentive variable (X1) on performance (Y) is 23.60% and there are still influenced by motivational factors (X2) and other factors not included in this study called epsilon factor (e)).

If we pay attention to the magnitude of the effect of the incentive variable (X1) on performance (Y) of 23.60% it has been shown that the provision of incentives has a positive influence on employee performance in the Koperasi Gotong Royong Mandiri.

This incentive still needs to be increased in the future so that employees at the Koperasi Gotong Royong Mandiri will provide better performance in the future so that the work productivity of employees in the Koperasi Gotong Royong Mandiri can be even better.

## **13.2.** Effect of Motivation (X2) on Performance (Y).

Then the influence of motivation on performance can also be seen from the background that has been explained and supported by theories and methodological approaches used and data analysis, it can be explained that the influence of motivation variables (X2) on performance variables is 5.44% which can be seen of the amount of t count of 0.544.

Partially, it can also be explained that the motivation variable (X2) influences the performance variable (Y) by 5.44% and there are still other variables not included in this study besides the incentive variable (X1).

If you look at the magnitude of the influence of the motivational variable (X2) on the performance variable (Y) of 5.44%, it does not provide a large contribution to the performance of employees in the Koperasi Gotong Royong Mandiri.

The leaders of the Koperasi Gotong Royong Mandiri still need to rethink the better work motivation of employees so that with high awareness employees will work with better morale in contributing to employee performance (Y).

Motivation is closely related to human behavior where motivation will be able to change attitudes and human behavior to direct employees to a better direction.

Cherrington, 1995, explained that motivation is a condition that moves towards certain goals.

Then Gerhat Wright, 1996, also explained that motivation is the result of a number of processes that are internal and external to an individual that causes an attitude of enthusiasm and persistence in carrying out certain activities.

#### 13.3. The Influence Between Incentives (X1) and Motivation Variables (X2) on Performance Variables (Y).

After the effect of the independent variable is answered, the incentive variable (X1) and the variable (X2) on the performance (Y) partially, then it can also be seen how much influence the independent variable together on the dependent variable.

Based on the results of data analysis, it can be explained that the influence of the incentive variable (X1) and the motivation variable (X2) simultaneously or together can be explained by an effect of 36.61% which can be seen from the magnitude of F. calculate of 3.661.

If we look at the magnitude of the two independent variables namely the incentive variable (X1) and the motivation variable (X2) on the performance variable (Y) only 36.61%, then there are many other factors that affect performance which is equal to 63.39%.

## 14. Conclusions.

From the background that has been explained and formulated with the problem and the support of theories and available data collected using research instruments as well as the analysis of existing data, conclusions can be drawn on this research as follows:

- 1. The research variable, incentive (X1), has an influence on the performance variable (Y) of 23.60%, meaning that the incentive variable is only able to contribute to the performance of 23.60%, while the rest is still influenced by other factors.
- 2. Then the motivation variable (X2) has an influence on the performance variable (Y) of 5.44% meaning that the motivation variable is only able to contribute to the performance of 5.44% and the rest is still influenced by other factors.
- 3. Simultaneously or jointly that the two variables namely the incentive variable (X1) and the motivation variable (X2) have an influence on performance (Y) of 36.61% and the rest are influenced by other factors not included in the study.

## 15. Suggestions.

- 1. Companies still need to think about providing better incentives for the future both in the form of types and the amount of incentives that will be given to employees so as to improve employee performance.
- 2. The motivation of the employees of the Koperasi Gotong Royong Mandiri is still very low at 5.44% so that the leadership still needs to provide motivation to the employees to improve their morale.
- 3. The leaders of the Koperasi Gotong Royong Mandiri must make various efforts in increasing their work motivation so that employees will be affected to work even more enthusiastically.

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