THE ANALYSIS OF THE INFLUENCE OF MOTIVATION, COMPETENCE, AND INCENTIVE TOWARD EMPLOYEE PERFORMANCE AT PT SIANJUR RESORT, A HOUSING DEVELOPER OF OMA DELI MEDAN, INDONESIA

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Abstract:
This research aims to find out the influence of motivation, competence, and incentive variables toward employee performance. Population of this research is all employees of PT. Sianjur Resort, Medan, Indonesia that is, 37 people. The sample is selected using total population sampling method. The data is collected using questionnaires, while it is analyzed using multiple linear regression analysis. The research results prove that motivation, competence, and incentive simultaneously give significant influence toward employee performance. Motivation, competence, and incentive partially give significant influence toward employee performance. It is recommended that PT. Sianjur Resort pay more attention to aspects that can increase employee performance such as giving incentive regularly and fairly so that there is no negative perception among employees about discriminative behaviour by the employer in term of giving incentive. It is also suggested that PT. Sianjur Resort’s employees increase their performance based on motivation, competence, and incentive that have been given, such as increasing self-competence without waiting for the command from the employer, so self-performance can be more increased.

Keywords: Motivation, competence, incentive, employee performance.

JEL Codes: J83, M51, O15, Q31

1. INTRODUCTION

Employee performance is an indicator of success of a company. It indicates the real behaviour of employees in the form of work achievement according to their duties. The high and low work performance of an employee is precisely determined by some factors, either direct or indirect factors. There are some aspects influencing performance achievement, namely motivation, incentive, and competence. Mangkunegara (2012) explains that factors influencing performance achievement are ability and motivation. The influence of motivation toward performance can be seen insupport of activities leading to the goals (Sulistiyani and Rosidah, 2012). Motivation within the employees comes from the need for money, reward, power, and acknowledgement. External factors of motivation come from family, colleagues, and employer. Another factor triggering the increase of performance is competence. It is a characteristic of an individual that is relatively stable and can be measured from the individual’s behavior at the workplace or in another situation. As a character attached to an individual, competence is always based
on skills and knowledge supported by work behavior required by the job (Wibowo, 2010). The influence of competence toward performance can be seen in the competence level which has practical implication in human resources plan. It can be seen through the description that the competence of knowledge and skills tends to be real and relatively exists in one of the characteristics of employees. The incentive also influences employee performance. It is a motivation media that triggers employees to work optimally, as an extra income, excluded salary or wage specified. Incentive aims to meet the need of employees and their family.

PT. Sianjur Resort, a housing developer company of Oma Deli has a very competitive housing marketing, so it needs optimal performance from its employees in order to meet the sales target of housing products. During the process of housing development, PT. Sianjur Resort provides 353 units of any types of house, namely Type 36 (119 units), type 45 (84 units), type 60 (13 units), type 75 (83 units), type 130 (13 units), in addition to 14 shop houses. During the process of development, PT. Sianjur Resort Medan experiences performance fluctuation, Primarily related to the factors of work motivation, competence, and incentive. The decrease performance of PT. Sianjur Resort’s employees can be seen through the employees’ behavior coming late at office, work results which do not meet the standard, unreached work quantity, decrease in work quality, and the low responsibility of employees to their duties.

2. LITERATURE REVIEW

2.1.1. Employee Performance

Performance is the work quality and quantity achieved by an employee in carrying out his tasks based on his responsibility (Mangkunegara, 2012 and Dalimunthe et al., 2016). The use of effective and directed labor is the key to improving employee performance, so that company policy is needed through the application of a good organizational structure in moving the workforce to work more productively in accordance with the plans set by the company. The results of employee work performance, both quality and quantity become performance benchmarks, where quality is the attitude shown by employees in the form of work in the form of neatness, accuracy and relevance of results does not ignore the volume of work in doing the work (Muda et al., 2014; Sihombing et al., 2017; Muda, 2017; Hasan et al., 2017; Hutagalung et al., 2017 and Muda, and Windari, 2018). Whereas Quantity is the volume of work produced under normal conditions. This can be seen from the number of workloads and circumstances obtained or experienced by workers during work. Measured from the willingness of employees / employees to participate and cooperate with other employees vertically and horizontally so that the results of their work will be better. Employee willingness to account for work and work results, facilities and infrastructure used, and work behavior.

2.1.2. Factors Affecting Performance

According to Prawirosentono (2012), factors affecting performance are:

1) Individual Factor
2) Psychological Factor
3) Organizational Factor
The existence of several opinions discussing performance measurement will be used as a basis for determining indicators of the performance variables described above. Two conditions must be met in order to measure performance effectively, namely the existence of performance criteria that can be measured objectively. While viewed from the reference point of assessment, there are three different types of achievement measurement criteria: Performance measurement based on results, this type of achievement criteria formulates work based on the achievement of organizational goals, or measurement of end results (Dalimunthe et al., 2016; Marhayanie et al., 2017; Muda et al., 2017; Nasir et al., 2017; Eriadi et al., 2018 and Pohan et al., 2018). Performance measurement is based on behaviour, this type of achievement criteria measures the means of achieving goals, rather than the end result. This type of criterion is usually known as Behaviorally Anchored Rating Scales, made from "critical incidents" which are related to various performance dimensions. Performance measurement based on "judgment". It is a type of performance criteria that measures achievement based on certain behavioral descriptions (specific), namely the amount performed (quantity of work), the extent of knowledge about work (job knowledge), willingness (cooperation), personality, leadership (personnel qualities). If an employee feels aggrieved in the work assessment, it can sue the party who assesses in accordance with the applicable laws and regulations.

2.1.3. Work Motivation

According to Siagian (2011), motivation is an encouragement that causes a member of an organization willing to use his ability (in the form of expertise or skills), energy, and time to carry out several activities within his responsibility, as well as his duties that have been specified before. Work motivation is a reason that encourages employees to work in a company. It is essential to know what motivates each employee to work. By knowing the work motivation possessed by employees, it can get to know them better. Knowing the work motivation possessed by employees is also very useful in making and taking decisions in the field of HR or Human Resources. When making a policy in the field of HR based on the motivation of employee morale will get a positive effect on the company. Because a policy that accommodates employee work motivation will have a positive impact on employee work outcomes. The first motivation is to get a monthly salary. No matter as an employee of a civil servant, permanent employees or income contract employees in the form of monthly salary are things that employees want. Because with a monthly salary, employees feel able to meet all the needs and desires of the life of employees and their families. The life needs of employees are among others the cost of daily living, paying for children's education, paying for housing and others. While the desire of the employee's life is to buy a new home or car, vacation to a tourist place, buy new clothes, eat in restaurants and more. The downside of monthly salary motivation is that employees will only pursue monthly salaries. So, it is possible that employees will only come to the office, complete their work and then go home. Employees are not or less motivated to work doing something more for the company because they only pursue the salary every month.

2.1.4. Competence
Competence is a series of knowledge, skills, and behavior that should be owned by an individual in carrying out professionalism (Pramudyo, 2010). Competence is the authority and ability or ability of a person to carry out a task or job in accordance with the position they carry. Thus, the pressure is on the authority and ability of a person in carrying out tasks in a position or someone's work in an organization or a government or private institution. In particular, it should be stated that what is meant by competency is not just the ability to carry out administrative tasks. However, the competency will involve the teachings about humans and their behavior, legally humans in carrying out their actions must be in accordance with the norms or rules that apply in their lives (Erlina et al., 2017; Dalimunthe et al., 2017; Muda, 2017 and Sari et al., 2018). The goals to be achieved from the concept of competency, namely, behavior, skills, and knowledge that are part of the emergence of one's competence. Because the characteristics of a job in a particular position are different, the competencies demanded by each position in the organization will vary. No matter how high a competency or authority a person has in carrying out that authority, human values must be the main concern (Suriadi et al., 2015; Lubis et al., 2016; Sadalia et al., 2018; Eriadi et al., 2018; Lubis et al., 2018; Marhayanie et al., 2018 & Tripriyono et al., 2018). Each profession in a certain position will have a specific character that will be the foundation for achieving organizational effectiveness in determining the vision and mission to be achieved.

2.1.5. Competence Characteristics

(1) Motives
(2) Traits
(3) Self-concept
(4) Knowledge
(5) Skill

Competence influences performance, stated by Armstrong (2012), and is related to input and process (target and competence) as it is related to output and outcome (result and contribution). Performance evaluation is based on an understanding of knowledge, skills, expertise, and behavior needed to do tasks well.

2.1.6. Incentive

Incentive is an extra compensation above or excluded from the salary or wage given by organization. According to Gorda (2012), the aims of giving incentive are:

a. To give different reward due to different work result.
b. To encourage employees and to give them satisfaction.
c. To increase productivity.

Compensation in the form of incentives is closely related to work motivation. So, incentives are given based on achievement or production of a worker. From the company side, providing incentives to workers aims to:

• Maintaining the loyalty of quality workers
• Maintain and improve the morale of workers, where this will be seen from absences and the level of labor turnover
• Increase company productivity, in other words, production results increase for each unit per unit of time, as well as increased sales.

3. METHODOLOGY OF RESEARCH
This research is a survey research using associative quantitative approach, that is, a research that aims to find out the relationship between two or more variables (Kurniawan, 2012, Erlina et al., 2017; Sadalia et al., 2017; Muda et al., 2018). Quantitative research is broadly defined as measuring quantitative and objective statistics through scientific calculations derived from samples of people or residents who were asked to answer a number of questions about the survey to determine their frequency and percentage of responses. Quantitative research is scientific and whereas in qualitative research the research is natural. Unlike qualitative research that emphasizes case studies, quantitative research leads to surveys (Muda et al., 2014; Gusnardi et al., 2016; Handoko et al., 2017; Erlina and Muda, I, 2018 and Muda, & Hasibuan, 2018). The questions to measure the variables we examined earlier must be tested for validity and reliability. If the instrument/measuring instrument is not valid or reliable, then there will not be kind research results. Validity is an index that shows the extent to which a measuring instrument, but the most widely discussed is construct validity. The construct or conceptual framework is the term and definition used to describe abstractly the events, circumstances, groups or individuals that are the center of research attention. The concept then often still has to be converted into an operational definition, which describes how to measure a symptom. Reliability is an index that shows the extent to which a curling device can be trusted or reliable. Reliability shows consistency/consistency of measurement results. A measuring device is said to be steady or consistent, when to measure something repeatedly, the measuring device shows the same results, under the same conditions. Each measuring device should have the ability to provide a steady or consistent measurement result. In measuring physical phenomena such as the weight and length of an object, the stability or consistency of measurement results is not something that is difficult to obtain. But for measuring social phenomena, such as attitudes, opinions, perceptions, religious awareness, steady or consistent measurements, it is rather difficult to achieve.

Since social phenomena are not as robust as physical phenomena, in measuring social phenomena, elements of measurement error are always taken into account. In social research this measurement error is quite large (Achmad et al., 2017 and Badaruddin et al., 2017). Therefore, to find out the actual measurement results, these measurement errors need to be taken into account. The smaller the measurement error, the more reliable the measuring device. The larger the measurement error, the more unreliable the measuring instrument. The next step is to compile questions / statements that are in accordance with that definition. Variable related to this research is motivation variable (X1), competence (X2), and incentive (X3) toward employee performance (Y). Population of this research consists in all employees of PT. Sianjur Ressort (37 people until December 2017). The sample is selected using total population sampling method, taking all members of population to be the research sample.

To detect Classical Assumption test the existence of multicollinearity, it is conducted a test to compare R2 value and t-test value to each independent variable. Collinearity is often suspected if R2 is high (between 0.7 and 1) and if a zero-degree correlation is high as well (Maksum et al., 2014; Rasdianto et al., 2014; Mahdaleta et al., 2016; Lubis et al., 2016; Syahyunan et al., 2017; Erlina and Muda, 2018; Muda et al., 2018; Sirojuzilam et al., 2018 and Sihombing et al., 2018). Heteroscedasticity test used in this research is multiple regression analysis. Multiple linear regression analysis is used to find out the cause and effect by applying Performance as dependent variable (Y) and Motivation (X1), Competence (X2), and Incentive (X3) as independent variable.

\[ Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e \]
Information:
Y = Employee performance
a = Constant
β₁, β₁, β₁ = Variable Coefficient
X₁ = Motivation Variable
X₂ = Competence Variable
X₃ = Incentive Variable

The steps of multiple linear regression test is as follow:

**Simultaneous F Test (F Test)**
F test is used to show whether all independent variables put in the model has simultaneous influence toward dependent variable (Muda, and Rafiki. 2014; Tarmizi et al., 2016; Azlima et al., 2017; Sirojuzilam et al., 2017; Yahya et al., 2017 and Agustina et al., 2018). The following formula:

\[ F_{\text{test}} = \frac{R^2}{(1-R^2)}/(n-k) \]

Where:
R² = Determination Coefficient
N = the Number of Sample
k = the Number of Variable

F test is used to determine the effect of independent variables together (simultaneously) on the dependent variable. Significant means that the relationships that occur can apply to populations. The use of the level of significance varies, depending on the wishes of the researcher, namely 0.01 (1%); 0.05 (5%) and 0.10 (10%). F test results are seen in the ANOVA table in the sig column. For example, we use a significance level of 5% (0.05), if the probability value is <0.05, then it can be said that there is a significant influence together between the independent variable and the dependent variable (Muda, 2010; Sihombing et al., 2015; Nurlina & Muda, 2017; Sadalia et al., 2017; Sirojuzilam et al., 2017; Tarmizi et al., 2017; Muda and Hutapea, 2018 and Muda et al., 2018).

However, if the significance value is > 0.05, there is no significant effect jointly between the independent variables on the dependent variable.

**Partial t Test (t Test)**
The t test is used to partially test each variable. The results of the t test can be seen in the coefficients table in the sig (significance) column. If the probability of a value of t or significance is <0.05 (Muda, 2010; Lutfie et al., 2016 and Sirojuzilam et al., 2016), it can be said that there is an influence between the independent variables on the dependent variable partially. However, if the probability of a value of t or significance is > 0.05, then it can be said that there is no significant effect between each independent variable on the dependent variable (Muda et al., 2015; Tarmizi et al., 2016; Muda & Nurlina. 2018). t-test is used to test how far the influence of one independent variable individually.

- If \( t_{\text{hitung}} > t_{\text{table}} \), then Ho is rejected or Ha is accepted
- If \( t_{\text{hitung}} < t_{\text{table}} \), then Ho is accepted or Ha is rejected

**Determination Coefficient \( R^2 \)**
Determination test is used to measure correlation level or the influence of independent variable toward dependent variable simultaneously. This test aims to determine the proportion or percentage of total variation in the dependent variable explained by the independent variable (Muda, 2014; Muda et al., 2016; Nasir et al., 2017; Erwin et al., 2018 and Muda et al., 2018). If the analysis used is simple regression, then the value of R Square is used. However, if the analysis used is a regression, then Adjusted R Square is used. The calculation results of Adjusted R2 can be seen in the Summary Model output.

4. RESULT AND DISCUSSION

4.1. Result

4.1.1. Work Motivation

Based on the recapitulation of respondents’ answer about motivation, the level of employee motivation can be divided into 3 categories, namely good, average, and poor. The number of respondents with good category of work motivation is 21 people (56.8%).

4.1.2. Competence

The majority of respondents have good motivation, that is, 21 people (56.8%).

4.1.3. Incentive

The majority of respondents have given good incentive, that is, 17 people (45.9%).

4.1.4. Descriptive Analysis of Employee Performance

The majority of respondents have good performance, that is, 24 people (64.9%).

4.1.5. Result of Classical Assumption Analysis

Normality Test

Probability residual value (asymp.sig. 2-tailed) is 0.856, more than sig-α (0.05), so it can be concluded that the research data distribution is normal.

Result of Multicollinearity Test

Tolerance values of those three variables are 0.900, 0.962, and 0.892 respectively. All of them are smaller than 1, and those three VIF values are 1.111, 1.039, and 1.122. All of them are smaller than 10, so it can be concluded that the research data does not contain characteristics of multicollinearity.

Result of Heteroscedasticity Test

Values of asymp.sig (2-sided) of each variable are 0.906, 0.947, and 0.068, where those three independent variables have higher significant values than 0.05. Therefore, the calculation result meets the test requirements of heteroscedasticity symptoms. It can be concluded that this research data does not contain heteroscedasticity symptoms.

4. Result of Hypothesis Test

4.1. Result of Simultaneous F Test

Table 1. Result of Simultaneous F Test
Value $F_{tabel} = 2.63$ (for $N = 37$ or df=99), so it is known that $F_{hitung} (21.272) > F_{tabel} (2.63)$ and $sig-p (0.000) < 0.05$. It can be concluded that two variables, $X_1$ (motivation), $X_2$ (competence) and $X_3$ (giving incentive) simultaneously give significant influence toward variable $Y$ (employee performance).

4.2. Result of Partial $t$-Test
Result of partial $t$-test is as follows:

**Table 2. Result of Partial $t$-Test**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
<td>.393</td>
<td>.697</td>
</tr>
<tr>
<td></td>
<td>Motivasi</td>
<td>.385</td>
<td>.096</td>
<td>.429</td>
</tr>
<tr>
<td></td>
<td>Kompetensi</td>
<td>.536</td>
<td>.184</td>
<td>.302</td>
</tr>
<tr>
<td></td>
<td>Pemberian Insentif</td>
<td>.442</td>
<td>.091</td>
<td>.523</td>
</tr>
</tbody>
</table>


1) The Influence of Motivation toward Employee Performance ($Y$)
Variable $XI$ (motivation) gives significant influence toward dependent variable $Y$ (employee performance).

2) The Influence of Competence toward Employee Performance ($Y$)
Variable $X_2$ gives significant influence toward employee performance. It is indicated by $t_{hitung} X_2 (2.914) > t_{tabel} (2.02)$ and $p-value (0.006) < 0.05$.

3) The Influence of Giving Incentive

To find out the magnitude of the influence of independent variable toward dependent variable, determination $R$ test is conducted, and the result is as follows:

**Table 3. Result of Determination $R$ Test**

<table>
<thead>
<tr>
<th>Model</th>
<th>$R$</th>
<th>$R^2$</th>
<th>Adjusted $R^2$</th>
<th>Std. Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.812$^a$</td>
<td>.659</td>
<td>.628</td>
<td>2.12949</td>
</tr>
</tbody>
</table>


The magnitude of the influence of independent variable toward employee performance is 0.628 x 100% = 62.8 %. Regression equation with coefficient value obtained from the following calculation:

$$Y = a + b_1X_1 + b_2X_2 + + b_3X_3 + e$$

$$Y = 3.926 + 0.385X_1 + 0.536X_2 + 0.442X_3 + e$$

This form of equation means that if other factors are stable, the increase of motivation of 1 point can influence employee performance for 3.926 + 0.385 point.

4.3. DISCUSSION
4.3.1. The Influence of Motivation, Competence, and Incentive toward Performance

The result shows that motivation, competence, and incentive simultaneously give significant influence toward employee performance. The managerial implication is that the better an employer motivates his employees, besides competence and incentive regularly, the greater the significant influence toward employee performance will be. Competence is a fundamental characteristic of an individual that influences the way of thinking and acting, generalizes all situations, and survives for a long time inside the individual (Ruky, 2006). The same thing is also explained by Rivai (2011) who states that performance is a function of motivation and ability. To finish tasks or duties, a person should own a certain level of willingness and ability. It can be concluded that employee performance is work achievement or output or work result with good quantity and quality achieved by an employee in a certain period of time while doing his tasks based on the responsibility given by the company to him. Psychologically, the most critical aspect in work leadership is how far a leader is able to motivate human resources to be fully productive and responsible in working. It is due to some reasons, namely: (1) Employees should be motivated to work together in organization; (2) Employees should be encouraged to work and to make efforts based on the work demands; (3) Employee motivation is an essential aspect in preserving and increasing human resources in organization.

Utama (2011) clarifies that basically, people work hard due to motivation inside themselves, that is, to meet their needs. Motivation is shown on intrinsic and extrinsic factors, in which intrinsic motivation focuses more on behavior showing psychological satisfaction, such as desire of getting reward and acknowledgement from the employer, desire to live, and desire to have power. Meanwhile, extrinsic motivation focuses more on indirect fulfillment such as material, work environment, sufficient compensation, a proper supervision, work guarantee, status, responsibility, and flexible regulation (Sutrisno, 2011). Motivation influences employee performance because of motivation functions as a stimulus that can increase a person’s work passion; the higher the work passion, the higher the employee’s performance. In other words, the better the motivation given by the employer to his employees, the higher the easiness and opportunity to maximize employee performance will be. The managerial implication is the need of a company leader that is able to give planned and sustainable motivation in order to increase employees’ spirit and passion for working.

4.3.2. The Influence of Competence toward Employee Performance

The result of the analysis states that competence gives significant influence on employee performance. It means that the better the work competence, the higher the employee performance. This research result is in line with a research done by Fahrul stating that there is a positive and significant influence of competence toward employee performance of PG. Madukismo. Competence is a basic characteristic owned by an individual related causally in fulfilling needed criteria in taking a part in a position. Competence consists of 5 types of characteristics, namely motive (willingness to be consistent as a reason of action), self-concept, knowledge and skills as well as ability to run his tasks (Spencer, 2007). Employee competence in a mastered working field by looking at the position of the employee is one of the factors that determine job satisfaction of the employee. Competence is a behavior, expertise, knowledge, and skills owned by
an individual in carrying out his tasks. Competence is needed to help organization to create high-performance work culture; the more competence is considered in the process of human resource, the higher the high-performance work culture (Wibowo, 2012). The managerial implication is that training and seminar will be necessary to increase the ability of employees to sell the housing products of the company. Competency can increase employee performance by improving the employees’ knowledge, proficiency, and skills in carrying out their tasks.

4.3.3. The Influence of Giving Incentive toward Employee Performance

The result of the analysis shows that incentive gives significant influence toward employee performance. It means that the better the incentive, the higher the employee performance will be. The result is in line with the research. Giving incentive is expected to increase employee performance because it covers all types of payment, either directly or indirectly, in the form of material or money or reward given by the company to its employees. The company should concern on giving fair and appropriate compensation in order to motivate its employees, so they have passion at work, leading to the increase of productivity (Purwaningrum et al, 2012). The managerial implication is that the company’s leader needs to give or even to increase more incentive for every improvement in employee performance, especially in the more competitive sales of housing product. The employer needs to know the importance of financial stimulation for the employees as an encouragement and motivation to increase housing product sales performance.

5. CONCLUSIONS AND SUGGESTIONS

5.1. Conclusion
1. Motivation, competence, and incentive give significant influence simultaneously toward employee performance.
2. Partially, motivation gives significant influence toward employee performance.
3. Partially, competence gives significant influence toward employee performance.
4. Partially, giving incentive gives significant influence toward employee performance.

5.2. Suggestions
1. It is recommended that PT. Sianjur Resort pay attention to some aspects increasing employee performance such as giving incentive regularly and fairly, in order to avoid negative perception among employees about discriminative behavior of the employer, in term of giving incentive.
2. The employees are suggested to increase their performance based on motivation, competence, and incentive given, such as increasing self-competence without any command from the employer, so self-performance can be more increased.
3. For other researchers, it is recommended that they conduct such research with wider scale to reach more accurate research result.

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