

The Influence of Work Motivation and Incentives on Employee Productivity of PT.Lamipak Primula Indonesia

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ABSTRACT

The study used quantitative methods and was conducted at PT Lamipak Primula Indonesia by using a research sample of 130 employees of PT Lamipak Primula Indonesia. This study aims to analyze the effect of Motivation and Incentive on Work Productivity at PT Lamipak Primula Indonesia. The results of this study indicate that work motivation does not have a significant effect on work productivity, while the incentive variable has a significant effect on work productivity positively. These findings indicate the importance of non-financial factors in motivating employees and increasing productivity.

Keywords: Motivation, Incentives, Work Productivity

INTRODUCTION

Productivity is an important factor for determining the success of the company. If employee work productivity always experiences a significant increase from time to time, then the company will easily achieve the goals that have been set. Especially in the industrial era like today, all companies are trying to maximize employee performance by continuing to increase productivity so that companies are able to survive in the midst of increasingly fierce competition.

PT. Lamipak Primula Indonesia as a packaging manufacturer has also experienced an increase in demand. The company which was founded in Cikarang in 2005 as a subsidiary of PT. Berlina Tbk. which is also engaged in the plastic packaging business, in 2015 opened a new factory in Sidoarjo to serve consumers in Eastern Indonesia. And with the presence of the COVID-19 pandemic which has an impact on sales performance, orders received by PT. Lamipak Primula Indonesia has also decreased. Therefore, increasing employee productivity is a focus that must be increased.

Nasution (2014) states that motivation is very important in increasing employee morale and productivity, because the higher a person's motivation to carry out a job, the higher his productivity. From the literature study it was found that Muryani, Sanusi and Harsono (2018), Laksmiari (2019), Abdillah (2021) and Ratnaningtyas, Handaru & Eryanto (2021) concluded the results that work motivation has a positive and significant effect on employee work productivity. However, Johari and Jha (2020) concluded that work motivation has no effect on work productivity.

Meanwhile Yuniarsih & Suwatno (2008:131) stated that incentives are given to motivate workers so that their work productivity is high. Incentives are important to discuss because humans work to get rewards, wages or salaries for the sacrifices they make. So according to Smith & Wakeley (1972) in essence, humans work not only to maintain survival, but also to achieve a better standard of living.

From the literature study it was found that Nurmawanto (2014), Ahmad, Mook Lee, Malul & Shoham (2015) and Lampa, Yantu & Bokingo (2021) concluded that incentives have a positive and significant effect on employee work productivity. However, Rauuf, Adiyani & Widodo (2022) concluded that incentives do not significantly affect work productivity.

This research aims to find out the factors that can increase the productivity of PT. Lamipak Primula Indonesia, focuses on examining the factors of Work Motivation and Incentives as related factors. And from the research gap found in previous studies, a study was conducted with the title "The Influence of Work Motivation and Incentives on Increasing Work Productivity of PT. Lamipak Primula Indonesia." Novelty in this study is to test the effect of Work Motivation and Incentives on Employee Productivity simultaneously.

RESEARCH METHODS

Research Design

This research is intended to answer the problems that have been raised, achieve research objectives, and test hypotheses. This research uses a quantitative research approach. This study used primary data obtained from the results of the questionnaires given to the research subjects.

Variable Operational Definition

a. Variable Definition

According to Sugiyono (2019: 68 in Saptutyningsih and Setyaningrum, 2019) research variables are aspects, traits, qualities, individual values, objects, or pursuits that have certain changes set by researchers to be investigated and then conclusions drawn. In this study using the independent variable (X) and the dependent variable (Y).

1. Work Motivation (X1)

Workplace motivation is the internal or external drive that motivates individuals to act or achieve goals in a professional context. Work motivation relates to individual needs for personal fulfillment, recognition from superiors, career advancement, personal development, or rewards or remuneration, in the form of prizes, money, or services.

2. Incentive(X2)

Yuniarsih & Suwatno (2008: 131) states that incentives are awards or rewards given to motivate workers or members of the organization so that their motivation and work productivity are high, are not fixed or intermittent.

3. Employee Work Productivity (Y)

Productivity is being able to maximize that time. In other words, work smarter, not harder. In essence, the meaning of productivity is how someone can produce more output with little or limited time.

b. Operational Variable

1. Work Motivation

Measurement of work motivation according to Sunyoto (2015: 7) can be done using indicators:

1. need for achievement
2. need for affiliation
3. need for power

2. Incentive

Indicators of incentives according to Siagian (2009:269) include the following:

1. Appropriateness of performance
2. Total working time
3. Seniority
4. Justice

3. Employee Work Productivity

According to Siagian (2004) the factors used in measuring productivity include:

1. The quantity of work is a result achieved by the workforce in a certain amount with a standard comparison set by the company.
2. Quality of work is a standard relating to the quality of a product produced by the workforce in completing work technically with a comparison of the standards set by the company.
3. Timeliness is an activity completed at the beginning of the specified time, seen from the point of coordination with the output results and maximizing the time available for other activities. Timeliness is measured from the workforce's perception of an activity provided at the beginning of time until it becomes output.

Population, Sample, and Sampling technique

The population selected in this study were production employees at the Sidoarjo factory with a total of 201 employees. In this study using random sampling technique or random sampling. Each member of the population has a known and equal chance of being selected for the sample in this study.

Sampling using the slovin formula.

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{201}{1 + (201 \times 0.05^2)}$$

$$= \frac{201}{1 + (201 \times 0.0025)}$$

$$= \frac{201}{1 + 0.505}$$

$$= \frac{201}{1.505} = 133.55 \text{ rounded to } 130$$

Data Analysis Technique

In this study, the analytical tool used to analyze SEM is the SmartPLS program.

RESULTS AND DISCUSSION

Data Validity Test

1. Outer Model Test

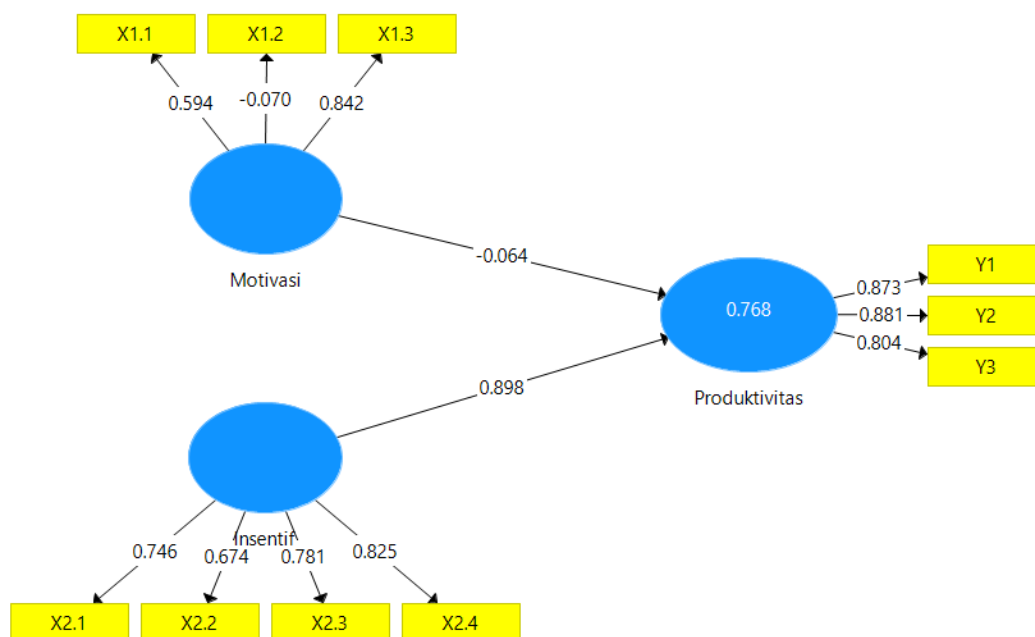


Figure 1. Outer Model

Table 1. Value Outer Loading

	Insentif	Motivasi	Produktivitas
X1.1		0.594	
X1.2		-0.070	
X1.3		0.842	
X2.1	0.746		
X2.2	0.674		
X2.3	0.781		
X2.4	0.825		
Y1			0.873
Y2			0.881
Y3			0.804

From the path analysis test on SmartPLS, the outer model results were found as shown in Figure 4.2. and the value of the outer loading factor as shown in table 4.1. it was found that there were 3 indicators that could not be used in the study, namely indicator X1.1, indicator X1.2 and indicator X2.2. These three indicators must be removed and retested.

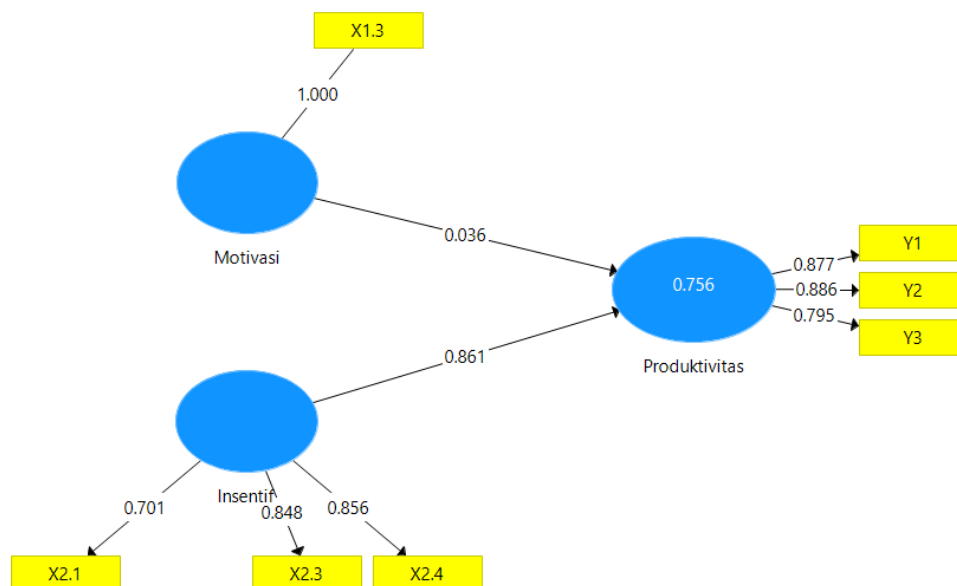


Figure 2. Outer Model 2

Table 2. Value Outer Loading 2

	Insentif	Motivasi	Produktivitas
X1.3		1.000	
X2.1	0.701		
X2.3	0.848		
X2.4	0.856		
Y1			0.877
Y2			0.886
Y3			0.795

From the second path analysis test after the three indicators were removed, the outer model results were found as shown in Figure 4.5. and the value of the outer loading factor as shown in table 4.2. that all research indicators can be used in research.

2. Validity Test

Proof that each indicator has been able to represent the variable validly is by looking at the AVE value that is greater than 0.6.

Table 3. ValueAverage Variance Extracted (AVE)

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Insentif	0.725	0.743	0.846	0.648
Motivasi	1.000	1.000	1.000	1.000
Produktivitas	0.813	0.823	0.889	0.728

From table 4.3 it is known that all variables get values above 0.6 and are green in color, so it is concluded that all VALID indicators represent the variables.

3. Reliability Test

Proof that each indicator has been able to represent the variable validly is by looking at the Composite Reliability value which is greater than 0.7.

Table 4. Nilai Composite Reliability

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Insentif	0.725	0.743	0.846	0.648
Motivasi	1.000	1.000	1.000	1.000
Produktivitas	0.813	0.823	0.889	0.728

From table 4.4 it is known that all variables get values above 0.7 and are green in color, so it is concluded that all research instruments are RELIABLE.

4. Model Fit

The Fit Model measurement is adjusted to table 3.3.

Table 5. Value Model Fit

	Saturated Model	Estimated Model
SRMR	0.122	0.122
d_ULS	0.415	0.415
d_G	0.264	0.264
Chi-Square	189.853	189.853
NFI	0.642	0.642

From matching table 4.5 with table 3.3, it was found that the SRMR value exceeded the fit value, while the NFI value was appropriate (fit).

Hypothesis Testing

Hypothesis testing is done by looking at the Original Sample (OS) value and the p-value in the SmartPLS Bootstrap test results table. The limit of the p-value for an influence relationship can be said to have a significant influence which is less than 0.05; if it exceeds the value of 0.05, the influence relationship is declared to have no significant effect. Meanwhile, to see the direction of the influence relationship seen from the OS value; if it has a negative value, then an exogenous variable is stated to have a negative influence on the endogenous variable; vice versa.

Table 6. hypothesis test results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Insentif -> Produktivitas	0.861	0.862	0.025	34.759	0.000
Motivasi -> Produktivitas	0.036	0.034	0.045	0.801	0.424

From the results of hypothesis testing using SmartPLS, the following results were found:

1. The original sample (OS) value is 0.036 and the p-value is 0.424 (> 0.05) so it is concluded that motivation does not have a significant effect on employee productivity.
2. The original sample (OS) value is 0.861 and the p-value is 0.000 (< 0.05) so it is concluded that incentives have a significant positive effect on employee productivity.

DISCUSSION

Motivation Has No Significant Influence on Employee Productivity

From the hypothesis test, it was obtained that the p-value was 0.424 (> 0.05) so it was concluded that motivation did not have a significant effect on employee productivity, which means that high employee motivation is not able to increase their work productivity. The findings of this study conflict with Vroom's Expectancy Theory of Motivation and Herzberg's Two Factor Theory. Both of these theories emphasize the importance of motivation in driving performance, they do not fully address the influence of non-financial factors on productivity. Research shows that factors such as recognition, opportunities for growth, and a positive work environment play an important role in improving employee performance, regardless of motivation level.

However, there are a number of reasons why this might be. First, motivation is not the only factor affecting productivity. Other factors, such as skills, abilities, and resources, also play a role. So even if an employee is highly motivated, they may be unproductive if they lack the skills or resources to do their job effectively. Second, motivation can be difficult to measure. It's not always clear what motivates an employee, and while it is, it's not always clear how motivation will translate into productivity. Third, the relationship between motivation and productivity may not be direct. For example, motivation can lead to increased effort, which can lead to increased productivity. However, there are other factors that can also increase effort, such as fear of punishment or a sense of obligation.

The results of these findings support Sumiati's research findings (2019); Johari & Jha (2020) and Rampisela & Lumintan (2020) who concluded that work motivation has no effect on work productivity. But contrary to the research findings of Huda (2011); Muryani, Sanusi and Harsono (2018); Laksmiari (2019); Yuningsih, Harini & Rifky (2020); Sutrisno, Jaelani & Wijaya (2020); Abdillah (2021) and Antika (2021) who concluded that work motivation has a positive and significant effect on performance.

Incentives Have a Significant Positive Effect on Employee Productivity

From the hypothesis test, it was obtained a p-value of 0.00 (<0.05) and an OS value of (+) 0.862, so it was concluded that incentives have a significant positive effect on employee productivity, which means that by increasing the incentives received by employees able to increase their work productivity. While it is true that incentives can have a positive impact on employee productivity, research findings suggest that this effect may not depend solely on the amount of incentive received. Factors such as recognition, opportunities for growth, and a positive work environment also play an important role in influencing employee performance.

The research findings indicate that employees highly value incentives based on seniority, as it provides a sense of recognition and rewards their loyalty to the organization. On the other hand, incentives based on the principle of equity, such as equal distribution of rewards, may be less valued by employees.

These findings show the importance of non-financial factors in motivating employees and increasing productivity. While financial incentives are important, organizations must also focus on creating a work environment that promotes growth, recognizes achievement, and treats employees fairly. By considering these non-financial factors, organizations can design motivational strategies that go beyond monetary rewards and improve employee performance.

These findings support the research findings of Nurmawanto (2014); Ahmad, Mook Lee, Malul & Shoham (2015); (Maziah, 2018); Lampa, Yantu & Bokingo (2021) who concluded that incentives have a positive and significant effect on performance. However, it contradicts the

research findings of Rauuf, Adiyani & Widodo (2022) which concludes that incentives do not significantly affect work productivity.

CONCLUSION

Based on the results of the research and discussion that has been carried out, the following conclusions can be drawn:

1. Employee motivation does not significantly influence the productivity of PT.Lamipak Primula Indonesia employees.
2. Incentives have a significant positive effect on employee productivity at PT.Lamipak Primula Indonesia.

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