



The Effect of Providing Incentives Towards Increased Employee Productivity at PT. XYZ

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ABSTRACT

The analytical method used in this research is descriptive and deductive method and calculation method with correlation that is to see whether there is a relationship between providing incentives with the productivity obtained / achieved by labor. From the results of the analysis and evaluation the following conclusions are obtained: 1. The system of providing incentives implemented by PT. Xyz is already quite effective. 2. The types of incentives provided by the company are medication and care, sick day assistance, annual leave, maternity leave, menstrual leave. Food allowance, overtime, overtime week / holiday, social security, education and training, bonuses and THR. 3. Each increase and decrease in incentives (X) will affect the increase / decrease in the level of productivity (Y). Where the relationship is 0.9993 (very strong) and the contribution of incentives to employee work productivity is 96.86%. The suggestions put forward by the author to help company managers are as follows: 1. In addition to providing incentives, companies need to pay attention to other factors such as: education and training, motivation, discipline and work ethics, work environment and climate, wages and social security levels, technology and production facilities, nutrition and health as well as achievement attention. 2. Company leaders should increase food and transportation fees periodically because the current meal and transport fees have not been interested for a long time and are no longer appropriate to the current level of needs.

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1. Introduction

Establishment of a company is intended to achieve its objectives. The achievement of a goal is not accidental, but only if economic resources or factors of production can be utilized as well as possible. Considering that labor is one of the factors of production which plays an important role in achieving the objectives outlined, it is necessary to pay attention. If we look at it from the point of view of the company, it requires a productive workforce that requires cost as efficiently as possible according to the conditions and capabilities of the company. Conversely, if we look at it from the perspective of the workforce itself, then there are demands that are experienced, where humans are required to live properly and their existence in the community environment. The higher the income from the workforce, the higher the ability to meet the demands of his life. By looking at these two views, there are differences in interests between companies wanting a savings, while the labor requires the existence of compensation for services that are felt sufficient to be able to cover their living needs. To overcome this, one of the efforts that can be done by companies is to develop a reward service in the form of perceived incentives that can provide satisfaction for both parties, namely the company and the workforce.

Productivity is the level of efficiency in producing goods or services. Productivity provides a good way of utilizing sources in producing goods or services. Incentives are one of the tools to encourage and direct the activities of subordinates to achieve predetermined company goals. In other words, incentives are bats or efforts that must be considered and built to excite employees so that they are diligent in working and can achieve better results so that employee productivity increases.

Based on the description stated above, the writer feels interested in choosing the title of the thesis: "The Effect of Providing Incentives Towards Increased Employee Productivity at PT. Xyz".

In this thesis, the extent of the research is specifically only examining the issue of the policy of providing incentives to employees in the context of increasing labor productivity at PT. BPR Perbaungan Hombar Makmur.

The objectives of this research are as follows:

- a. To provide a clear picture of the problem of providing incentives and linking them to existing theories.
- b. To explain the link between providing incentives and employee productivity.
- c. To provide input to all those who need it, especially PT. Xyz.

2. Hypothesis

To discuss the problem above, then a hypothesis or temporary answer is made that must be verified in analysis through research. This hypothesis will be rejected if it conflicts with the facts studied at the company and will be accepted if the facts studied support. The hypothesis in this study is "Providing incentives can increase employee productivity".

3. Analysis Method

Various ways according to the circumstances and the form of data obtained. For that the analysis method used is as follows:

- a. Descriptive method.



Descriptive method of collecting, classifying and interpreting the data obtained so that it describes the procedures carried out, then compared with existing theories in order to see the suitability.

b. Deductive Method.

Deductive method is a method for drawing conclusions starting from general conclusions in the form of theories whose truth has been generally accepted leading to specific conclusions in the form of facts that apply in reality, then comparing the two conclusions. so as to provide a clear picture, both adjustments and deviations between the two.

4. Results

A. The Effect of Providing Incentives Against Employee Productivity.

To see how much influence the provision of incentives on the level of productivity can be shown in the table below, which is presented in a correlation calculation.

Table 1.
Simple Correlation Calculation Between Incentives and Productivity at PT. Xyz

Yr	Incentive Xi	Productivity Yi	Xi ²	Yi ²	Xi. Yi
2016	254,389	64,713,763,321	55,323,971,025	5,532,397,931,025	598,349,638,845
2017	277,348	2,635,389	76,921,913,104	6,945,275,181,321	730,919,866,372
2018	385,738	3,200,000	148,793,804,644	10,240.00,000,000	123,436,160,000
Jlh	917,475	8,187,494	290,429,481,069	22,717,673,112,346	2.563631.107.217

Source: Processed from the previous table

Based on the above table, calculations can be done to get the relationship between providing incentives with employee work productivity. The formula used is:

$$ND (Y - (Do) * (YY)$$

ry

$$ND2 - (YX) 2. NY - Yz - (YY fm)$$

Where: X = Number of Incentives (Numbers rounded) Y = Productivity (Numbers rounded) N = Number of periods

$$3 \times 2563631107217 - (917475) (8187494)$$

$$\{3 \times 290429481069 - (917475) 2\} \times \{3 \times 227 \text{ t } 7673 \text{ 112346} - (8187494) 2\} = 179072$$

$$179195$$

$$= 0.9993$$

This shows that there is a strong relationship between providing incentives and increasing productivity, which is equal to 0.9993. To see the extent of the relationship between the provision of incentives to increase labor productivity can be calculated using the Determinant formula, namely:

- = $r_z \times 100\%$
- = $0.9993 \times 100\%$
- = 99.86%

From the calculation using the determinant formula above, it can be seen that the magnitude of the effect of providing incentives to increase labor productivity is 99.86%. Thus it can be concluded that based on the hypotheses stated above and in accordance with the results of the study can be accepted.

5. Conclusion

Based on the description in the previous chapters, in this chapter several conclusions can be drawn as follows:

- a) The types of incentives provided by companies are:
 - a. Treatment and treatment
 - b. Help for sick days
 - c. Maternity leave
 - d. Annual leave
 - e. Menstruation leave
 - f. Meal allowance
 - g. Overtime overtime
 - h. Overtime Sunday / big day
 - i. Social Security
 - j. Education / training
 - k. Bonus
- b) THR.
- c) The system of providing incentives implemented by PT. Xyz is already quite effective. This conclusion is proven by increasing labor productivity every year.
- d) The provision of incentives has a very strong influence on labor productivity. From the figure obtained that is equal to 99.86% which indicates a strong relationship between incentives and productivity. Labor productivity seems to be continuously increasing, this is due to the increase in incentives that continue to increase, so it can be concluded that the increase in the provision of incentives provided can actually spur higher labor productivity so that it can generate greater profits for the company.
- e) Every increase or decrease in the value of incentives (X) will affect the increase / decrease in the level of productivity (Y) obtained by the company through increased employee performance.



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