Analysis of Incentives, Leadership and Work Environment in Improving Employee Performance

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ABSTRACT
This study aims to determine the effect of incentives, leadership and work environment to employees performance in PT. Yanmarindo Perkasa. This analysis is based on 80 respondents, this study uses methods nonprobability sampling with Random sampling method and were collected through questionnaires. And research shows that the performance of employees on incentives, leadership and working environment in the process and in tests using test validity and reliability, and classical assumption that generate influence on employee performance. This research is expected that the company could maintain and improve incentives, leadership and work environment so that the employee's performance can be maintained.

Keywords: Incentives; Leadership; Work Environment; Employee Performance; PT. Yanmarindo Perkasa.

1. Introduction

Human resources are one of the most crucial factors in an organization, as the quality of the organization itself is highly dependent on the quality of human resources. These include employees and service actors within an organization. Human resources, in terms of labor, play a significant role in a company; therefore, an educated and ready-made workforce is necessary to support company development (Ratnasari et al., 2021). To compete with similar industries, a company must have a competitive advantage that is challenging to imitate. This advantage can only be obtained from productive, innovative, creative employees who are consistently passionate and loyal (Nguyen et al., 2020).

A high-performing company needs to fulfill three main components. The first component is incentives which serve as a form of gratitude for employee efforts aiming to motivate them indirectly to work more enthusiastically. A developing company with good performance needs to satisfy several components such as: incentives—a form of gratitude for employee work—aiming to motivate these employees (Hidayat et al., 2023). The second component is leadership; leaders can influence employee performance due to their concern about subordinates' performance and problems they face and how they provide direct solutions (Qomariah et al., 2022). The third component is the work environment which significantly influences employee performance. An employee working in a supportive environment will produce good results. This research was conducted at PT Yanmarindo Perkasa, which operates in diesel engine sales.

Based on the table above (not provided), PT Yanmarindo Perkasa's sales have decreased annually despite increasing numbers of employees—an issue attributed to declining employee performance. The unmet sales target over five years indicates that PT Yanmarindo Perkasa's employees' performance remains subpar despite approximately 30 people working across units like spare parts and engineering sections—there are still unachieved targets possibly due to

inadequate incentives, leadership issues or unsatisfactory work environments at PT Yanmarindo Perkasa.

This research aims at addressing three main questions: (1) How do incentives affect employee performance at PT Yanmarindo Perkasa? (2) How does leadership impact employee performance at PT Yanmarindo Perkasa? (3) How does the work environment influence employee performance at PT Yanmarindo Perkasa?

The purpose of this study was not only determining whether there's an influence from incentives, leadership and work environment on employee performances but also providing literature review regarding these influences on performances at PT Yanmarindo Perkasa.

2. Literature Review

Employee performance

According to Marlina et al. (2021) performance is the real behavior that each person displays as a work achievement produced by employees in accordance with their role in the company.

Performance is the result of work both in quantity and quality that has been achieved by employees in carrying out their duties in accordance with the responsibilities given by the organization and the results of their work are adjusted to the work expected by the organization, through criteria or employee work standards that apply in the organization where the level of progress of an employee as a result of his efforts to improve his abilities positively in his work. According to Tanjung et al. (2021) incentives are additional compensation given to certain employees whose performance is above standard performance. Incentives are a means of motivation that encourages employees to work with optimal abilities, which is intended as extra income outside of a predetermined salary or wage. Providing incentives is intended to meet the needs of employees and their families (Nguyen et al., 2015).

Leadership

According to Lukito (2022) leadership is a way to invite employees to act right, achieve commitment and motivate them to achieve common goals.

Leadership is one dimension of competence that is very decisive for the performance or success of the organization. The main essence of leadership is a way to influence others to be effective, of course everyone can be different in doing.

Work Environment

According to Pawirosumarto et al. (2017) defines the work environment as follows: The work environment is the overall tooling and materials faced by the surrounding environment where a person works, his work methods, and his work arrangements, both as an individual and as a group.

The work environment is a place where employees carry out activities every day. A conducive work environment provides a sense of security and allows employees to work optimally. The work environment can affect employee emotions. If the employee likes the work environment where he works, then the employee will feel at home in his workplace, do activities so that working time is used effectively (Lukito 2022).

3. Research Method

The population in this study were all employees at PT Yanmarindo Perkasa, totaling 185 people. In this study, sampling used non probability sampling technique with random sampling method where each member has the opportunity to become a sample member by taking a sample of 80 people in this study.

Data Analysis

Classical Assumption Test

The classic assumption tests carried out in this study are: (1). Normality test is to determine whether in a regression model, the independent and dependent variables or both have a normal distribution or not. A regression model that has a normal or near normal distribution is using the One Sample Kolmogorov-Smirnov model. In the Normal P-Plot, the data is said to be normal if there is a spreader around the normal line and follows the direction of the normal line, so the regression model fulfills the assumption of normality. (2). Auto-Correlation Test tests whether in a linear regression model there is a strong correlation to detect autocorrelation is Durbin Watson (DW). The decision-making criteria in the Durbin Watson test are as follows (Ghozali, 2006): 0 < DW < dl (autocorrelation occurs), dl ≤ DW ≤ du (inconclusive), du < DW < 4-du (no autocorrelation), 4-du ≤ DW ≤ 4-dl (inconclusive), 4-dl < d < 4 (autocorrelation occurs). (3). Multicollinearity Test tests whether the regression model found a correlation between independent variables (independent).

To test the presence or absence of multicollinearity in the regression model, it can be seen from the tolerance value and the variance inflation factor (VIF) value. If the VIF value> 10, multicollinearity occurs. Conversely, if VIF < 10, there is no multicollinearity. (4). Heteroscedasticity Test The purpose of this test is to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. the way to determine the presence or absence of heteroscedasticity is to look at the plot graph. If there is a certain pattern, such as the existing points forming a certain pattern (wavy, widening then narrowing) then it indicates heteroscedasticity has occurred. A good regression model is one that is homoskesdasititas or heteroscedasticity does not occur.

Model Test

F Test (Simultaneous Test)

The F Statistical Test basically shows whether all the independent variables referred to in the study have a simultaneous influence on the dependent variable. Basis for decision making F Test (Simultaneous test):
- If F table> F count, then it is stated that the model is feasible to use.
- If F table < F count, then it is stated that the model is not feasible to use.

Coefficient of Determination (R2)

The coefficient of determination (R2) is used to explain the proportion of the dependent variable (independent) that can be explained by variations in the independent variable (bound). The coefficient of determination is 0 <2 <1. The value of R2 ranges from 0-1% and if the value is close to 1, the better. The greater the coefficient of determination, the better the independent variable in explaining the dependent variable.

Multiple Linear Regression Analysis

The model that will be used in this study is multiple linear regression analysis with the help of the SPSS (Statistical Product and Service Solutions) program, the regression model used is stated in this equation.

Test t (Partial Test)

According to (Ghozali, 2011) this test aims to determine whether in the linear regression model, the independent variable partially has an influence on the dependent variable. In the t test, the calculated t value will be compared with the t table value of each variable: (1) If t table> t count then Ho is accepted and Ha is rejected at α = 0.05%. (2) If t table < t count, then Ho is rejected and Ha is accepted at α = 0.05%.

4. Results and Discussion

Descriptive Analysis

Descriptive analysis is an analytical method in which existing data is collected or grouped and then the data is analyzed and interpreted objectively. The results of this descriptive statistical analysis are presented in the following table:

Table 2. Descriptive Analysis Results

Variabel	Max	Min	Average
Incentives	3.37	2.95	3.11
Leadership	3.78	2.48	3.26
Work Environment	3.58	3.43	3.52
Employee Performance	3.73	3.42	3.56

Source: Data Processed SPSS (2021)

Normality Test

From the test results, it can be seen with the naked eye that the points are close to the diagonal line, which means the data is normal.
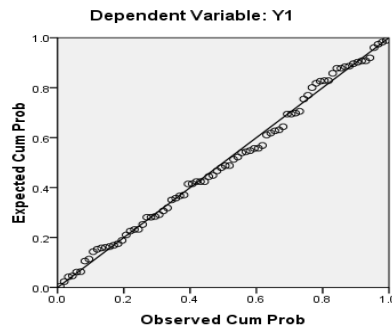

Figure 2. Normality Probability Plot Test Results
Source: Data Processed SPSS (2021)

Autocorrelation Test

Table 3. Autocorrelation Test Results

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.720[a]	.518	.499	.36819	1.760

Source: Data Processed SPSS (2021)

Du < DW < 4 - Du

1.7153<1.760< 4 - 1.7153

1.7153<1.760< 2.2847

From the results of the Durbin Watson calculation above, because the Durbin Watson value of the regression model (1.760) is between du (1.7153) and 4 - du (2.2847), it can be concluded that this regression model is free from autocorrelation and can be used in research.

Multicollinearity Test

A good regression model should not have a correlation between the independent variables which can be seen from the Tolerance and Variance Inflation Factor (VIF) values.

Table 4. Multicollinearity Test Results

Variabel	VIF	Keterangan
Incentives (X1)	1.375	No Multicollinearity
Leadership (X2)	1.264	No Multicollinearity
Work Environment (X3)	1.283	No Multicollinearity

Source: Data Processed SPSS (2021)

From the table above, it can be seen that all independent variables have VIF < 10, it can be concluded that this regression model does not have multicollinearity problems and can be used in research.
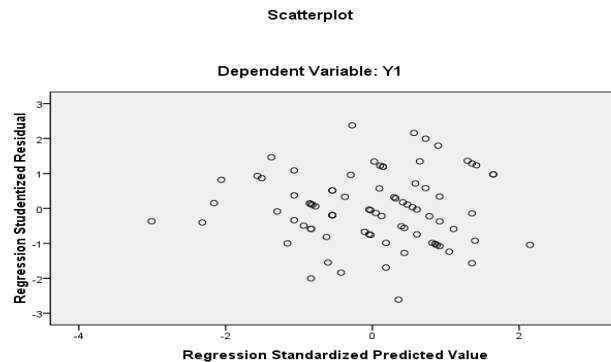
Heteroscedasticity Test

Figure 3. Heteroscedasticity Test Results
Source: Data Processed SPSS (2021)

The results of heteroscedasticity testing show that there is no clear pattern from the dots above and the dots spread above and below the Y axis. This indicates that the regression model does not have symptoms of heteroscedasticity, which means that there is no interference in the regression model.

F test

From the test results, the results obtained F count is greater than F table (27.223> 2.72). thus, the test results indicate that the model is feasible to use. So that the results of simultaneous statistical testing are influential, then for the significance value of 0.000 which is smaller than the value of $\alpha = 0.05$, which means that the error for stating that there is an influence of the independent variables together on the independent variable is significant is 0.000.

Coefficient of Determination (R2)

From the test results that have been carried out, it can be seen from the Rsquare value of 0.518 (51.8%), it can be interpreted that the independent variables, namely incentives, leadership and work environment together have an influence on the dependent variable, namely employee performance of 51.8%. While 48.2% is influenced by other factors. While 48.2% is influenced by other factors outside of the variables in this study.

Multiple Linear Regression Analysis

The equation model used in this study is as follows:

$$Y = -0.087 + 0.369 X1 + 0.239 X2 + 0.449 X3$$

The multiple linear regression equation above can be explained as follows: (1). The constant value (a) is -0.087 which means that if the incentive, leadership and work environment value is 0, then the employee performance value is 0.087 units. (2). The regression coefficient value of the incentive variable is 0.369, which means that if the other independent variables are constant and the incentive increases by 1 unit, then employee performance will increase by 0.369 units. The coefficient is positive, meaning that there is a positive relationship, high incentives will

improve employee performance. (3). The regression coefficient value of the leadership variable is 0.239, which means that if the other independent variables are constant and leadership increases by 1 unit, employee performance will increase by 0.239 units. The coefficient is positive, meaning that there is a positive relationship, high leadership will improve employee performance. (4). The regression coefficient value of the work environment variable is 0.449, which means that if the other independent variables are constant and the work environment increases by 1 unit, employee performance will increase by 0.449 units. The coefficient is positive, meaning that there is a positive relationship, a high work environment will improve employee performance.

Hypothesis Test

Table 5. T Test Results

Var	T Count	T Table	Sig
X1	3.487	1.66515	0.001
X2	2.131	1.66515	0.036
X3	4.410	1.66515	0.000

Source: Data Processed SPSS (2021)

Based on the table above, the partial tests of the results of this study are as follows: (1). The t value for the incentive variable is greater than the t table (3.487> 1.66515) so that the test decision is H0 rejected. Supported by a significant result of 0.001 which is smaller than the value of α = 0.05. The conclusion of the test results is that incentives have a positive and significant effect on employee performance at PT Yanmarindo Perkasa. (2). The t value for the leadership variable is greater than the t table (2.131> 1.66515) so that the test decision is H0 rejected. Supported by a significant result of 0.036 which is smaller than the value of α = 0.05. The conclusion of the test results that leadership has a positive and significant effect on employee performance at PT Yanmarindo Perkasa. (3). The t value for the work environment variable is greater than the t table (4.410> 1.66515) so that the test decision is H0 rejected. Supported by a significant result of 0.000 which is smaller than the value of α = 0.05. The conclusion of the test results is that the work environment has a positive and significant effect on employee performance at PT Yanmarindo Perkasa.

The Effect of Incentives on Employee Performance
From the results of descriptive analysis, it shows that incentives are a factor that is considered good by respondents in improving employee performance. This is in line with the results of regression analysis and partial testing (t test) of the incentive variable which shows that the incentive variable has a positive and significant value, meaning that the incentive factor has a positive and significant effect on the performance of employees of PT Yanmarindo Perkasa. From the results of research conducted by previous researchers conducted by Dharmanto (2023), that incentives have a positive and significant effect on employee performance. Which means there are similarities from previous research and current research. According to Jayaweera (2015), which says "incentives are additional compensation given to certain employees whose performance is above standard performance." Also affects employee performance. If the leader applies incentives for employees who have good performance, employees will get encouragement to improve performance.

Effect of Leadership on Employee Performance
From the results of descriptive analysis, it shows that leadership is a factor that is considered good by respondents in improving employee performance. This is in line with the results of regression analysis and partial testing (t test) of the leadership variable which shows that the leadership variable has a positive and significant value, meaning that leadership factors have a positive and significant effect on the performance of employees of PT Yanmarindo Perkasa.

Based on the results of research conducted by previous researchers conducted (Liu & Liu 2022), the results of the analysis show that leadership has a positive and significant effect on

employee performance. Which means there are similarities from previous research and current research. According to the theory of Lukito (2022), "Leadership is a way of inviting employees to act right, achieving commitment and motivating them to achieve common goals." It also affects employee performance. If leadership is carried out fairly, trusts its subordinates, creates a sense of security and has a good relationship with its subordinates, it will improve employee performance.

Effect of Work Environment on Employee Performance
From the results of descriptive analysis, it shows that the work environment is a factor that is considered good by respondents in improving employee performance. This is in line with the results of regression analysis and partial testing (t test) of work environment variables which show that work environment variables have a positive and significant value, meaning that work environment factors have a positive and significant effect on the performance of employees of PT Yanmarindo Perkasa.

Based on the results of research conducted by previous researchers conducted ratnasari et al. (2021), the results of the analysis show that the work environment has a positive and significant effect on employee performance. Which means there are similarities from previous research and current research. According to Khan et al. (2011) "the work environment is the situation around the workplace both physically and non-physically which can give a pleasant impression, secure, reassuring, and feel at work." Also affects employee performance. if the leader of the workplace is protected from odors, a comfortable workplace, employee performance will increase.

5. Conclusions

Based on the results of the above research, it can be concluded as follows: (1). Incentives have a significant influence on employee performance at PT Yanmarindo Perkasa. In this study, incentives have a positive and strong influence so that if the incentive variable is getting stronger, the performance at PT. Yanmarindo Perkasa will also increase. (2). Leadership has a significant influence on employee performance at PT Yanmarindo Perkasa. In this case leadership has a positive influence so that if leadership is getting stronger it will improve employee performance. (3). The work environment has a significant influence on employee performance at PT. Yanmarindo Perkasa. In this study the work environment has a positive influence so that if the division of labor is getting stronger it will improve or affect employee performance.

Based on the conclusions obtained in this study, suggestions are proposed as a complement to the research results that can be given as follows: (1). The company should implement a policy of providing incentives for employees who have good performance so that it can provide encouragement to all employees to excel at work and the amount of incentives provided is in accordance with employee performance. (2). The leadership applied by the company has a good response from the respondents, with sufficient supervision from the leadership and attention from the leadership such as distributing incentives fairly and assessing employee performance directly so that the leadership applied can be maintained because it greatly affects employee performance. (3). The work environment in the company is good, but there are still several indicators that are considered to need to be improved again, namely regarding the odors of the work environment, safety at work, the relationship between leaders and employees and relationships between employees. With the improvements made by the company, it will greatly affect employee performance. (4). This research is limited to the variables of incentives, leadership and work environment so that it is necessary to conduct further research studies that affect employee performance such as motivation, discipline considering that there are other factors that still affect employee performance.

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