



**THE INFLUENCE OF WORK MOTIVATION, INCENTIVES AND CONTRACT
WORK SYSTEM ON EMPLOYEE PERFORMANCE
PT. PHAROS INDONESIA SURABAYA BRANCH**

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ABSTRACT

This study aims to test and analyze the effect of Work Motivation, Incentives, and Contract Work System on Employee Performance of PT Pharos Indonesia Surabaya branch. From this goal, PT Pharos Indonesia continues to strive to develop and improve the human resources in it including the excellence of its professionalism. This study uses quantitative data types where the sample used is all employees of PT Pharos Indonesia Surabaya branch totaling 35 contract employees of the marketing division. The measurement technique between variables is to use the Likert Scale in the questionnaire. The results of the analysis of this study indicate that partially the variables of Work Motivation, Incentives, and Contract Work System have a significant effect on Employee Performance. Simultaneously the variables of Work Motivation, Incentives, and Contract Work System have a significant effect on the Employee Performance variable, with a significant value of 0.000.

Keywords: Work Motivation, Incentives, Contract Work System, Employee Performance

A. INTRODUCTION

The existence of human resources in a company plays a major role. The potential of human resources owned by each company must be utilized as well as possible in order to bring maximum results to the goals set by the company. A company can achieve its goals and objectives if its employees are motivated so that they can achieve company goals.

One form of motivation is to reward employees directly for exceeding the goals set by the company. The purpose of the incentive system is to increase employee motivation in trying to achieve organizational goals by offering financial stimulation above and beyond the basic salary (Handoko, 2011).

Currently, many companies apply contract labor to recruit employees. The contract work system according to the Law of the Republic of Indonesia (UU RI) No. 13 of 2003 is called a Specific Time Work Agreement (PKWT), contract workers can be converted into permanent workers, if the work contract is agreed upon, the employee has good work performance. If not, the employee will be fired. (Mallu, 2015)

The current problems that occur in employees of PT Pharos Indonesia Surabaya Branch related to employee performance are based on the lack of work motivation of its employees due to differences in requirements in providing incentives at each level of position for PT Pharos Indonesia employees, as well as the enactment of a different Contract Work System for each employee (Utomo, Syamsul, & Nuryadi, 2018)

Based on the background that has been stated above, the researcher can formulate the problem, namely: 1. Does Work Motivation, Incentives and Contract Work System partially affect Employee Performance 2.

The objectives of the research conducted are: 1. To test and analyze the effect of Work Motivation, Incentives and Contract Work System partially on Employee Performance. 2. To test and analyze the effect of Work Motivation, Incentives and Contract Work System simultaneously on Employee Performance.

B. LITERATURE REVIEW

Employee Performance

According to Afandi, (2016), performance is the extent to which a person's work arrangement tasks are organized. So, performance is a person's readiness to carry out activities to complete them in accordance with their responsibilities and the expected results of the work that has been done. Performance is a form of a person's effort in fulfilling his responsibilities by setting certain standards. (Pratama & Sakti, 2020)

Work Motivation

In essence, humans do something because there is a need for life that must be met every day. Every human being has different wants and needs. Motivation is what causes, channels, and supports human behavior so that they want to work hard and enthusiastically to achieve optimal results (Hasibuan, 2014).

Incentives

Basically, people work because they have different wants and needs. Motivation is what stimulates, controls, and maintains human behavior so that they want to work hard and enthusiastically to achieve optimal results (Hasibuan, 2014).

Contract Work System

According to Robbins, (2009) outsourcing has the meaning of transferring all or part of the work or authority to another party in order to support individual strategies for using outsourcing services in the company.

C. RESEARCH METHODS

Variable of research

1. Dependent Variable (Y)

The dependent variable in this study is Employee Performance (Y) at the Surabaya branch of the Pharos Indonesia company. Employee performance can be interpreted as the result of the work of employees based on the tasks assigned with predetermined standards. Indicators of employee performance, according to Robbins, (2009), namely:

- a. Quality is based on the employee's perception of the quality of work produced and the completion of tasks related to the employee's skills and abilities.
- b. Quantity is the amount of product produced, expressed in number of units and the amount of business completed.
- c. Timeliness is the extent to which activities are completed at the beginning of the specified timeframe, viewed from the angle of coordination to achieve results and maximize the time available for other activities.
- d. Efficiency is the maximum degree of use of an organization's resources (manpower, money, technology, and raw materials) to improve the results of each unit's use of resources.
- e. Work engagement is the extent to which an employee has a professional commitment to the agency and the employee's responsibility to his office.

2. Independent Variable (X)

a. Work Motivation (X1)

Work motivation is the desire that exists in humans to do a good job. According to Novitasari, (2017) work motivation indicators are as follows:

- 1) Desire to achieve goals. Someone who has high motivation in himself will have a strong drive to achieve maximum performance.
- 2) Morale is a good psychological state that can cause excitement, encouraging people to work better to achieve the goals set by the company and organization.

- 3) Initiative is defined as the power or ability of an employee to start or continue work with all his strength without any encouragement from others or of his own accord.
 - 4) Sense of responsibility. Employees must have a sense of responsibility for the work they do in order to complete it on time.
 - 5) Harmonious relationships between employees help create good motivation within the company.
- b. Incentives (X₂)
- Incentives are a way to motivate employees to carry out their work optimally. Indicators of employee incentives, according to Siagian, (2014) are as follows:
- 1) Piecework is a technique used to incentivize employee performance based on the results of their work.
 - 2) Bonuses are given to employees who are able to work hard.
 - 3) Commissions, paid for employees successfully carrying out company tasks.
 - 4) Executive incentives are given to employees who hold positions.
 - 5) The maturity curve is an incentive given to workers based on seniority and rank.
- c. Contract Work System (X₃)
- The Contract Work System can be interpreted as a system used by companies to provide work to employees. Indicators of the contract work system, according to Hidayah et al., (2023):
- 1) Contract agreement
 - 2) Limitation of the employment period
 - 3) Age of the worker
 - 4) Job description
 - 5) Salary

Data source

This research uses quantitative data types conducted at PT Pharos Indonesia Surabaya Branch using a Likert scale and SPSS 22, which come from primary data directly from the respondents or the company under study and secondary data from outside the company.

Population and Sample

In this study, researchers used a saturated population and sample, namely all contract employees of the marketing division who work at the PT. Pharos Indonesia Surabaya branch, with a total of 35 employees.

D. RESEARCH RESULTS AND DISCUSSION

Analysis of Multiple Linear Regression

In this study, we used multiple linear regression analysis to determine how much influence the independent variables, namely Work Motivation (X₁), Incentives (X₂) and the contract work system (X₃) have on the dependent variable, namely employee performance (Y). With the help of the SPSS program, the results of the multiple linear regression analysis are as follows:

$$Y = 0,774 + 0,227 X_1 + 0,214 X_2 + 0,537 X_3$$

Table 1
Multiple Linear Regression Analysis Results
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.774	.390		1.983	.056
Motivasi_Kerja	.227	.198	.225	1.144	.026
Insentif	.214	.157	.214	1.109	.029
Sistem_Kerja_Kontrak	.537	.179	.572	2.996	.004

a. Dependent Variable: Kinerja_Karyawan

Based on Table 1, the results of the multiple linear regression analysis can be seen as follows:

- 1) $a = 0,774$
This means that Employee Performance (Y) will be 0.774 if Work Motivation (X1), Incentives (X2) and Contract Work System (X3) are nil or zero.
- 2) $\beta_1 = 0,227$
Work Motivation (X1) contributes to Employee Performance (Y) by 0.227 assuming that the Incentive (X2) and Contract Work System (X3) are nil or zero.
- 3) $\beta_2 = 0,214$
This means that Incentives (X2) contribute to Employee Performance (Y) of 0.214 assuming that Work Motivation (X1) and Contract Work System (X3) are nil or zero.
- 4) $\beta_3 = 0,537$
This means that the Contract Work System (X3) contributes to Employee Performance (Y) of 0.537 assuming that Work Motivation (X1) and Incentives (X2) are nil or zero.

Partial Test (t-test)

The complete Partial Test Results (t test) can be seen in Table 2 below:

Table 2
Results of t test (Partial)
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.774	.390		1.983	.056
Motivasi_Kerja	.227	.198	.225	1.144	.026
Insentif	.214	.157	.214	1.109	.029
Sistem_Kerja_Kontrak	.537	.179	.572	2.996	.004

a. Dependent Variable: Kinerja_Karyawan

Based on table 2, it can be seen that:

- a. t Sig for Work Motivation (X1), obtained t sig of 0.026 < from α (0.05), thus Ho is accepted in other words because t Sig is smaller than α , then Work Motivation (X1) has an influence on Employee Performance (Y).
- b. t Sig for Incentives (X2) results obtained 0.029 < from α (0.05), thus Ho is accepted in other words because t Sig is smaller than α , Incentives (X2) have an influence on Employee Performance (Y).
- c. t Sig for Contract Work System (X3) results obtained 0.004 < from α (0.05) thus Ho is accepted in other words because t Sig is smaller than α , the Contract Work System (X3) has an influence on Employee Performance (Y).

Simultaneous Test (F-test)

The complete Simultaneous Test Results (t test) can be seen in table 3 below:

Table 3
F Test Results (Simultaneous)
ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	5.346	3	1.782	15.168	.000 ^b
Residual	3.642	31	.117		
Total	8.987	34			

a. Dependent Variable: Kinerja_Karyawan

b. Predictors: (Constant), Sistem_Kerja_Kontrak, Insentif, Motivasi_Kerja

From table 3 above, F Sig (0.000) < from α (0.05) thus Ho is accepted in other words because F Sig is smaller than α then Work Motivation, Incentives and Contract Work System affect Employee Performance.

Discussion

Based on the results of calculations using statistical testing, it shows that there is a positive relationship arising from Work Motivation to Employee Performance. The more motivated employees are at work, the more performance is produced by employees. This indicates according to Arifin et al., (2023) that the work motivation possessed by employees of PT Pharos Indonesia Surabaya Branch is considered good by respondents. The results of this study are in accordance with previous research conducted by Prayogi & Nursidin, (2018) Work motivation has a positive effect on employee performance.

Based on the results of distributing questionnaires to respondents, it shows that the majority of respondents gave positive responses to the statements submitted by the author regarding incentives. This indicates that the incentives provided by PT Pharos Indonesia Surabaya Branch are considered good by respondents. The results of this study are in accordance with previous research conducted by Ikhwan, (2017) that incentives have a partially significant effect on improving employee performance and also their organizational behavior (OCB) where they work. It is also known from this study that high nominal incentives are also believed to reduce turnover intentions and actual turnover.

Based on the results of distributing questionnaires to respondents, it shows that the majority of respondents gave positive responses to the statements submitted by the author regarding the Contract Work System. This indicates that the Contract Work System provided by PT Pharos Indonesia Surabaya Branch is considered good by respondents. The results of this study are in accordance with previous research conducted by Pratama et al., (2022) the contract

work system has a positive and significant effect on employee performance. This result is evidenced by the fact that the calculated t value is greater than the t table value, namely $2.388 > 0.227$ or the t significance value of $0.002 < 0.05$. Thus, the contract work system has a positive effect on employee performance.

E. CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of research and discussion, the following conclusions are obtained:

1. t Sig for Work Motivation (X1), obtained t sig of $0.026 < \alpha (0.05)$ thus H_0 is accepted in other words, because t Sig is smaller than α then Work Motivation (X1), has an influence on Employee Performance (Y) PT Pharos Indonesia Surabaya Branch
2. t Sig for Incentives (X2) results obtained $0.029 < \alpha (0.05)$ thus H_0 is accepted in other words, because t Sig is smaller than α , Incentives (X2) have an influence on Employee Performance (Y) PT Pharos Indonesia Surabaya Branch
3. t Sig for Contract Work System (X3) results obtained $0.004 < \alpha (0.05)$ thus H_0 is accepted in other words, because t Sig is smaller than α , the Contract Work System (X3) has an influence on Employee Performance (Y) PT Pharos Indonesia Surabaya Branch.
4. Variable Work motivation (X1), Incentives (X2) and Contract Work System (X3) simultaneously have a significant effect on Employee Performance (Y) Employees of PT Pharos Indonesia Surabaya Branch.

Suggestion

1. PT Pharos Indonesia Surabaya Branch continues to maintain the previous way to motivate its employees in order to improve employee performance so that it can increase company performance as well. For incentives, it would be nice to be given according to employee performance, not differentiated based on their job titles; in this case, the company should study it more deeply. For the contract work system, it would be nice to be reviewed again by considering the performance of each employee.
2. For future researchers to be able to include all company employees as research samples without selecting between departments and can add other variables that can affect employee performance, such as salary and work environment.

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