

Effect of Competition and Incentive on Employee Performance

Anizir Ali Murad¹, Ladika², Mustika³, Pandu Adi Cakranegara⁴, Imam Jayanto⁵

¹Universitas Serang Raya, Indonesia

²Universitas Syekh Yusuf, Indonesia

³Universitas Muhammadiyah Jambi

⁴Universitas Presiden, Indonesia

⁵Universitas Sam Ratulangi, Indonesia

anizira@yahoo.co.id, ladika@unis.ac.id, mustikanabila81@gmail.com, pandu.cakranegara@president.ac.id, imamjay_anto@yahoo.com

Abstract

This research tries to analyze about effect of competition and incentive on employee performance. The object of research at PT. Pundi Masberjaya. The population in this study were employees of PT. Pundi Masberjaya, totaling 51 people. The sampling method of this study used saturated sampling. So, the sample in this study was 51 people. The method of data analysis in this study used multiple linear regression using partial test (t). The results show that competition and incentive have positive and significant effect on employee performance at PT. Pundi Masberjaya.

Keywords

competition; incentive; employee performance



I. Introduction

The company was established to obtain optimal profits in accordance with the plans that have been made. In this effort, employees as the main element in the organization, play a very important role. Companies will not function without being handled by workers. The success or failure of a company in maintaining the company's existence starts from the effort to manage human resources, especially in increasing work effectiveness and efficiency to the maximum. Employees are one of the most important and potential resources to be developed and their role is so vital and most decisive compared to other resource elements. Human resources are the only resources that have reason, feelings, abilities, skills, knowledge, encouragement, power, and work. All of these human resource competencies greatly affect the organization's efforts in achieving its goals. Furthermore, the responsibility of company management is how to manage these human resources in order to maintain the quality of employee performance. Every organization cannot be separated from the need for management. Management is a science and art in which it regulates the process of utilizing human resources and other resources effectively and efficiently to achieve the goals of the organization. Management itself consists of six elements, namely, men, money, methods, materials, machines and markets. This human element has developed into a field of management science called human resource management which is a translation of human resources management (Hasibuan, 2003:9).

Human resources have a very strategic position in the company, meaning that the human element plays an important role in activities to achieve goals. Human resources referred to in the company are employees or people who work by selling their energy (physical and mental) to a company with the aim of obtaining remuneration or wages in

accordance with the agreement. So that human resources are an important wealth owned by the organization (Fathoni, 2006:9). In their work activities, each individual performs various kinds of activities or activities, one of which is human behavior itself which is the simplest mirror of their basic motivation. In line with the company's goals, the motivation and demand of the company must support each other.

Every company, the presence of every person is intended to contribute with quality competence in improving performance. Contributing in the spirit of collaboration is a means, not an end. The ultimate goal remains to produce the best performance for the benefit of the company, shareholders, customers, employees and other stakeholders. Healthy competition within the company is believed to produce something positive for the company and employee career development. Indeed, competition and competition will produce better individual qualities. However, in many cases, after starting to compete and compete with each other, there are people who sometimes start to lose their minds to compete in a healthy way. In the end, this is something that is detrimental to the company in building work collaboration. In fact, collaboration within the company is something that is mandatory to improve the quality of the work process, including to improve performance and achievement.

Handoko (2002:193), the performance of an employee is strongly influenced by many factors, these factors include: motivation, job satisfaction, stress level, working conditions, systems, compensation, job design, and technical economic aspects and other needs, it is as said. The work results obtained by each individual are not the same, because each individual has individual differences such as motivation, intelligence, interests, experience and education. This means that by looking at the provision of motivation which is very decisive for the employee's performance, company management must be able to provide programs as a way of implementing motivation to be right on target. One of the important programs to achieve this motivation is the compensation system such as the incentive wage system.

Incentive is a form of compensation that is directly linked to the level of performance of an employee. Another type of compensation in which almost every company provides it to its employees, although the types and programs of service provided by each company are different, are benefits and welfare improvements which are not based on employee performance, but are based on the fact that employees are also human beings who have many talents. the need to live and work better. According to Yani in Syardiansyah (2020) performance is a result of work achieved by a person in carrying out the tasks assigned to him based on skill, experience and sincerity as well as time. This means that in work contains elements of the standard that achievement must be met, so, for those who reach the standards set means good performance (Wahjudewanti, 2021).

Employee competition and incentive results are very influential on employee performance. According to Ivancevich, Konopaske and Matteson (Busro in Edward, 2020) that performance shows the ability and skills of workers. Performance is a person's success in carrying out tasks, work results that can be achieved by a person or group of people in an organization in accordance with their respective authorities and responsibilities (Wulandari, 2021). The performance of employees who work at PT. Pundi Masberjaya can be seen from the healthy competition between employees, the results of the incentives received, and the competence of the employees themselves. However, the problem that arises is that there are still employees who are not able to work well, human errors often occur, which results in a lack of company productivity. This is due to the assignment of unclear tasks to employees so that employee participation is not optimal and work pressure. In this case the company is very demanding from employee performance in the form of competition and incentive results.

This research tries to analyze about effect of competition and incentive on employee performance.

II. Review of Literature

2.1 Competition

Competition in an organization such as a company is not something that is impossible to avoid, even competition is deliberately created by people who have power. In fact, competition has become a culture within a company, which aims to get the best work from each employee. With a record the competition went well.

The spirit to compete, the company definitely wants its employees to work as optimally as possible. If employees are in comfortable conditions, they are generally concerned that employees are only giving the good, not the best they can give. Therefore, many companies use various strategies so that employees are willing to put all their thinking, creativity, and hard work for the company. The method that is generally taken is to provide bonuses in the form of certain materials or awards for exemplary employees who have contributed a lot to the company. With a strategy like this, it is hoped that all employees will compete to be the best.

According to Hendropuspito (1989), competition is a social process, in which several people or groups try to achieve the same goal in a faster and higher quality way.

According to Soekanto (1990), competition is a process in which groups of people compete for profit through various fields of life at a certain time (either individuals or groups of people) by attracting public attention or reluctance to sharpen existing prejudices, without using threats or violence.

According to Brehm and Kassin (1993), competition is an attempt to fight other people for one's greater interest to the exclusion of others.

2.2 Incentive

Incentive is special compensation designed to motivate extraordinary performance, which in simpler terms can be interpreted as a bonus outside of salary (Ilyas, 1999). Compensation in the form of incentive is directly related to motivation, so incentive is given to increase motivation. Incentive is given depending on achievement or production, incentive compensation is divided into:

1. Full bonus, namely one-time cash payment/cash or right to buy company shares based on performance.
2. Profit sharing, namely the provision of bonuses based on company profits.
3. Revenue sharing, namely the provision of bonuses for successfully exceeding the set performance targets or work efficiency occurs.
4. Payment for the knowledge they have, namely the provision of an increase in wages/salaries for new skills or jobs they master.

2.3 Performance

Performance is work performance or actual achievement achieved by someone. The definition of performance is the quality and quantity of work achieved by an employee in carrying out his functions in accordance with the responsibilities given to him.

According to Ilyas (1999:99), performance is the appearance of the work of personnel and within an organization. The appearance of the work is not limited to personnel holding functional and structural positions but also to the entire line of personnel within the organization. According to Simanjuntak (2005:1), suggests performance is the level of achievement of results on the implementation of certain tasks. Company performance is the level of achievement of results in order to realize the company's goals. Performance management is the overall activity carried out to improve the performance of the company or organization, including the performance of each individual and work group in the company.

III. Research Methods

The object of research is a scientific goal to obtain data with a certain purpose and use about something objective, valid, and reliable about a thing (Pandiangan, 2015; Pandiangan, 2022). The object of research at PT. Pundi Masberjaya.

Population is a generalization area consisting of objects or subjects that become certain quantities and characteristics determined by researchers to be studied and then drawn conclusions (Asyraini et al., 2022; Octiva et al., 2018; Pandia et al., 2018). The population in this study were employees of PT. Pundi Masberjaya, totaling 51 people. The sample is part of the number and characteristics possessed by the population (Octiva et al., 2021; Pandiangan et al., 2021). The sampling method of this study used saturated sampling. Saturated sampling is a sampling technique when all members of the population are used as samples (Pandiangan et al., 2018; Pandiangan et al., 2022). So, the sample in this study was 51 people.

The data collection method in this study used a questionnaire or questionnaire to employees. Questionnaires are prepared and completed with identification and instructions for filling out.

The method of data analysis in this study used multiple linear regression using partial test (t). Multiple linear regression is a regression model that involves more than one independent variable. Multiple linear regression analysis was conducted to determine the direction and how much influence the independent variable has on the dependent variable (Octiva, 2018; Pandiangan, 2018; Tobing et al., 2018).

IV. Discussion

4.1 General Description

PT. Pundi Mas Berjaya is one of the world's leading software solutions providers in the global market, providing business-based high-tech solutions and services to customers spread across Asia Pacific, Americas, and the Gulf States and with on-premises and off-premises model locations site-development. Since its founding in 1999, the company has designed, developed and deployed numerous solutions for enterprises in the healthcare, banking, finance and education fields using the latest technology and structured frameworks.

PT. Pundi Mas Berjaya has a strong team with a large project implementation size and exerts all its capabilities to provide high quality services to customers. One of the keys to our success is our adaptation to the diverse and varied requirements of computer information systems resulting in flawless quality management, project management, infrastructure requirements and more to provide satisfaction to our customers. Our professional software works using the latest technology from Microsoft, SUN, Oracle and others.

Holding a portfolio of products, projects and consulting services, creating innovative products and offering the latest solutions for dynamic market demands and dynamic digital environments.

Indonesian information and technology companies are always required to innovate, always looking for the latest technology to be able to compete with the current adaptation, which cycles are changing rapidly. If you need experimentation from the start, we dare to invest for the long term.

To overcome the various cycles of data management information, PT. Pundi Mas Berjaya always follows and participates in the latest events to get the right technology and be able to help partners work more optimally.

4.2 Vision and Mission of PT Pundi Mas Berjaya

Vision is to become a world-renowned information technology company and continue to innovate to be the best.

The mission is to develop innovative products that are cost-effective and of good quality, with a focus on information and technology services and solutions in the field of information technology for clients around the world, through a team of creative and dedicated professionals.

4.3 Partial Test (t) Results

Table 1. Partial Test (t) Results
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.375	2.205		.794	.428
	Competition	.709	.280	.175	2.533	.012
	Incentive	.706	.347	.156	2.038	.043

a. Dependent Variable: Employee Performance

Source: SPSS Data Processing (2022)

The results show that competition has positive and significant effect on employee performance at PT. Pundi Masberjaya. Competition which means competing, trying to match and precede. With the competition between employees, it can trigger every employee to compete to give the best achievement, thereby increasing the company's productivity. Companies must conduct competition among employees and provide appropriate incentives to improve employee performance.

Incentive has positive and significant effect on employee performance at PT. Pundi Masberjaya. Incentive which means bonuses in addition to salary. Incentive given in accordance with the work of employees, can improve the performance of these employees to be more diligent in doing the tasks given.

V. Conclusion

The results show that competition and incentive have positive and significant effect on employee performance at PT. Pundi Masberjaya.

Based on the results of the study, the suggestions are as follows:

1. To increase productivity, companies should pay more attention to employee performance issues by providing incentives according to employee abilities and achievements, and companies occasionally hold competitions to test the skills of each employee so that companies can determine employees according to their potential. This is certainly very influential on productivity so that it is maximized and produces optimal results.
2. For further researchers, it is recommended to develop and improve the quality of this research by adding other variable indicators such as competence, leadership, work motivation, and work environment so that employee performance can reach an optimal point.

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