ISSN: 2338-8412 e-ISSN : 2716-4411

Ekombis Review – Jurnal Ilmiah Ekonomi dan Bisnis
Available online at : https://jurnal.unived.ac.id/index.php/er/index
DOI: https://doi.org/10.37676/ekombis.v12i4

The Influence Of Incentives On Employees' Job Satisfaction At PT Anugerah Firdaus Mandiri: Financial Incentives And Non-Financial Incentives

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How to Cite :
Hidajat, K., Fauzi, A. (2024). The Influence Of Incentives On Employees' Job Satisfaction At PT Anugerah Firdaus Mandiri: Financial . EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis, 12(4). doi: https://doi.org/10.37676/ekombis.v12i4

ARTICLE HISTORY
Received [17 Agustus 2024]
Revised [01 Oktober 2024]
Accepted [15 Oktober 2024]

KEYWORDS
Satisfaction, Employees, Incentives, Financial

ABSTRACT

In the era of globalization and intense business competition, companies must improve their performance and productivity by ensuring high employee job satisfaction. This study aims to examine the influence of financial and non-financial incentives on employee job satisfaction at PT Anugerah Firdaus Mandiri. This research uses the questionnaire distribution method with all 45 employees of PT Anugerah Firdaus Mandiri as the sample. Data were collected through Likert scale-based questionnaires and analyzed using multiple linear regression with SPSS 22 software. The study shows that financial and non-financial incentives have a significant impact on employee job satisfaction at PT Anugerah Firdaus Mandiri. The adjusted R-squared coefficient of 0,464 indicates that the regression model explains 46,4% of the variation in employee job satisfaction. These results highlight the importance of incentives in enhancing job satisfaction, suggesting that management should focus on incentive policies to improve employee effectiveness and productivity.

INTRODUCTION

In the era of globalization and increasingly competitive business competition, every company is required to continue to improve its performance and productivity. An effective way to achieve this is to ensure employees have a high level of job satisfaction. Job satisfaction is an important aspect that can influence various factors in an organization, including productivity, employee loyalty, and work quality (Giovanni & Ie, 2022). Therefore, many companies are competing to create a supportive work environment and provide the right incentives to their employees. Incentives are tools used by management to motivate employees to work harder and achieve predetermined targets. Incentives can be divided into two main categories, namely financial incentives and non-financial incentives. Financial incentives include salaries, bonuses, commissions and other benefits that are directly related to material compensation (Sinaga

Sarman, 2020). On the other hand, non-financial incentives include recognition, career development opportunities, a conducive work environment, and other factors that are not directly related to material compensation but greatly influence employee satisfaction and motivation (Roni Aunul Kholik et al., 2024).

This research focuses on the influence of financial incentives and non-financial incentives on employee job satisfaction at PT Anugerah Firdaus Mandiri. PT Anugerah Firdaus Mandiri is a company engaged in loading/unloading cargo services at ports. Based on initial observations, there are variations in employee perceptions of the effectiveness of incentives provided by the company. Some employees feel highly motivated by financial incentives such as bonuses and benefits, while others value non-financial incentives such as recognition for achievements and opportunities for growth. Empirically, (Meitiana, 2017) and (Gunawan & Dewi, 2020) also found that increasing financial incentives is positively related to the level of employee job satisfaction. Apart from that, (Apsari & Riana, 2019) and (Hasibuan, 2019) also identified a positive relationship between non-financial incentives and job satisfaction

LITERATURE REVIEW

Incentive

Incentives are awards or compensation, both in the form of money and non-monetary, given by the company as recognition for the time, expertise, skills and efforts made by employees to fulfill job requirements and achieve business goals (Priyatono Margo, 2019). The purpose of providing incentives is divided into two categories: 1) For companies, incentives help retain high-quality employees, maintain and increase work morale which is reflected in employee attendance and turnover rates, and increase business capacity, which leads to increased products and sales in each department. 2) For employees, incentives improve living standards through additional income other than basic salary, increasing work motivation, and encouraging employees to achieve good performance and reputation within the company. There are two types of incentives that can be given to employees: financial and non-financial incentives. Providing incentives is a strategy to maintain employee loyalty, maintain high quality employees, and maintain high work morale, thereby increasing company productivity. For employees, incentives improve welfare and motivate them to achieve work targets. Incentives can be categorized into two types: financial and non-financial incentives (Sinambela L.P, 2021).

Financial Incentives

Financial incentives are a method that companies use to reward employees for achieving goals and good performance. Usually, these awards include bonuses, salary increases, profit sharing programs, as well as benefits such as health insurance, transportation and vacations (Pudjiastuti et al., 2022). (Chelladurai & Kerwin, 2017) states that financial incentives, such as wages, bonuses and various employee benefits, directly increase job satisfaction. (Hasibuan, 2019) identified six main indicators to determine the level of financial incentives: 1) Education, 2) Experience, 3) Dependents, 4) Company capabilities, 5) Economic conditions, 6) Employment conditions.

Non-Financial Incentives

Apart from financial incentives, companies also use non-financial incentives to influence employee satisfaction. This incentive is a form of appreciation given by a company or organization to employees who meet targets and have good performance, usually involving the work environment and the nature of the work itself (Namira et al., 2024). According to (Mamun & Hasanuzzaman, 2020), non-financial incentives include job enrichment, holidays, appropriate work positions, and promotions. Conceptually, non-financial incentives are related to receiving the social side of employees' performance to increase job satisfaction (Hasibuan, 2019). (Akilah &

Rahman, 2020) describes non-financial incentives as rewards based on work performance. Experts agree that non-financial incentives are an important factor in increasing employee job satisfaction through facilities, rewards and vacations. (Sinaga Sarman, 2020) states that non-financial incentives include satisfactory working conditions such as: 1) A suitable workplace, working hours and work that suit employee skills and relationships between employees, 2) Leadership that meets individual needs. employees, including health insurance, promotions, complaint handling, entertainment, and superior-subordinate relations. (Dewi & Noorhaya. A.R.P, 2023) mentions various forms of non-financial incentives: 1) Official titles, 2) Awards or medals, 3) The right to use certain position attributes (for example, flags on cars), 4) Special office equipment (e.g., conference table, rug). According to (Pps et al., 2020), several indicators that need to be considered when providing non-financial incentives are: 1) Special equipment and facilities in the office, 2) Official titles or awards, 3) Vacations. Non-financial incentives offer a more tangible and effective way to motivate individuals other than money.

Job Satisfaction

Job satisfaction is an important issue in the development of contemporary human resources and employment. This issue is mainly related to the increasing level of employee education and increasingly higher living needs (Sinaga Sarman, 2020). According to (Darmawan, 2020), job satisfaction is an employee's psychological reflection of the results of their work. An individual's level of satisfaction is basically based on the value system that exists within him, so the measure of satisfaction is different for each individual. Everyone looks for work in the hope of getting compensation to support themselves and their families. However, compensation alone is often not enough; Employees also want satisfaction from their work. The challenge is to determine measures of job satisfaction. For the same job and compensation, one person may feel satisfied, while another person may not. Job satisfaction is a feeling that supports or does not support an employee's relationship with their work or with their condition.

Feelings related to work involve things such as wages or salaries received, opportunities for career advancement, relationships with coworkers, job placement, organizational structure, and quality of supervision. On the other hand, feelings related to the individual self involve things such as age, health, ability, and education (Andardinata & Sulaeman, 2019). According to (Tanjung & Rasyid, 2023), there are two factors that influence job satisfaction: a) Employee factors, such as intelligence (IQ), special skills, age, gender, physical condition, education, work experience, length of service, personality, emotions , ways of thinking, perceptions and work attitudes. b) Job factors, such as type of work, organizational structure, rank, position, quality of supervision, financial security, promotion opportunities, social interactions, and work relationships. Meanwhile, according to (Suyusman et al., 2020), indicators of job satisfaction include: (1) Supervision, (2) Work environment, (3) Promotion, and (4) Rewards in the form of wages/salaries.

METHODS

This research uses a quantitative descriptive approach which aims to identify the influence of financial and non-financial incentives on employee job satisfaction at PT. Firdaus Mandiri Award. Therefore, researchers use data analysis techniques such as linear regression using SPSS 22 software, in accordance with the stated objectives.

Data collection was carried out on employees of PT. Anugerah Firdaus Mandiri as a respondent through a questionnaire distributed via Google Form based on a Likert scale ranging from 1 to 5. In this method, respondents were given a questionnaire to answer questions related to the research topic. Each respondent will be given an order based on their level of satisfaction or dissatisfaction with the statements listed in the questionnaire, where 1 indicates high satisfaction and 5 indicates high satisfaction. Furthermore, the data collected will be analyzed to understand employee perspectives and perceptions about the problems studied, assist in decision making, and develop better policy recommendations for PT. The Firdaus Independent Award.

RESULTS

Normality Test

The normality test is one of the most basic regression analysis tests. For this to hold, the errors or residuals of the regression model must follow a normal distribution. One method for evaluating normalcy is the Kolmogorov Smirnov test.

Table 1 Kolmogorov Smirnov Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		45
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.58713674
Most Extreme Differences	Absolute	.161
	Positive	.161
	Negative	-.149
Test Statistic		.161
Asymp. Sig. (2-tailed)		.005[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
Source: data processed using SPSS 22, 2024

Researchers can conclude that the residuals are normally distributed because the p-value (Asymp. Sig 2-tailed) is 0.005 from the normality test, the significance level has been set (0.05) in table 2.

Linearity Test

Tables 2 Linearity

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Total_Y *Total_X1	Between Groups	(Combined)	9.867	4	2.467	5.349	.002
		Linearity	5.017	1	5.017	10.881	.002
		Deviation from Linearity	4.849	3	1.616	3.505	.024
	Within Groups		18.444	40	.461		
	Total		28.311	44			

Tables 3 Linearity

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Total_Y Total_X2	*Between Groups	(Combined)	13.588	3	4.529	12.613	.000
		Linearity	12.909	1	12.909	35.948	.000
		Deviation from Linearity	.679	2	.340	.945	.397
	Within Groups		14.723	41	.359		
	Total		28.311	44			

Source: Data processed using SPSS 22, 2024

Based on tables 3 and 4 for the linearity test, it is known that the deviation from linearity Variable X2 sig.=0.397 > 0.05 concluded that there is a linear relationship between non-incentive variable For the F test on variable In the variable

Multicollinear Test

Table 5 Multicollinear Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	7.621	2.628		2.900	.006		
	Insentif	.084	.104	.106	.805	.425	.743	1.347
	Non Insentif	.650	.137	.622	4.743	.000	.743	1.347

a. Dependent Variable: Job satisfaction

Source: Data processed using SPSS 22, 2024

Based on table 5 above, collinearity statistics, the tolerance value of the incentive variable X1 and the non-incentive variable. The multicollinearity test is a statistical test in regression analysis that is used to determine whether there is a multicollinearity problem or not. Multicollinearity occurs when two or more independent variables in a regression model have a significant correlation with each other. Therefore, the independent variables used in research must not experience multicollinearity.

Heteroskedasticity Test

Table 6 Heteroscedasticity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.172	1.517		4.067	.000
	Insentif	-.151	.060	-.385	-2.498	.016
	Non Insentif	-.099	.079	-.193	-1.250	.218

a. Dependent Variable: Abs_RES

Source: Data processed using SPSS 22, 2024

The results of the Glejser test to find heteroscedasticity show that the independent variable has a sig value. 0.016 and 0.218, respectively more than 0.05. Symptoms of heteroskedasticity were not found. Thus, the classical assumption of heteroskedasticity of the regression model is met.
Hypothesis Testing

Linear Regression Analysis Method
Table 7 Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.621	2.628		2.900	.006
	Insentif	.084	.104	.106	.805	.425
	Non Insentif	.650	.137	.622	4.743	.000

a. Dependent Variable: Kepuasan Kerja
Source: data processed using SPSS 22, 2024

a= 7,621. This number is a constant number which means the amount of job satisfaction for variable Y, so the constant value is 7,621. B = regression coefficient number for variable X1 = 0.084 and variable If an employee receives incentives and non-incentives with an addition of 1%, it will happen that an employee will feel job satisfaction.Because the regression value is positive, incentives and non-incentives have a positive effect on job satisfaction. So the regression equation is Y = 7.621 + 0.084 X1 + 0.650 X2. The significant value of X1 = 0.425 > 0.05 and the calculated t value = 0.805 < 1.96 t table, the significant value of variable X2 has a significant influence on variable Y.

Determination Test
Table 8 Determination Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.681[a]	.464	.439	.601

a. Predictors: (Constant), Non Insentif, Insentif
Source: Data processed using SPSS 22, 2024

Coefficient of determination R Square = 0.464 squared R value = 0.681 x 0.681 = 0.464. The amount of determination = 0.464 or 46.4%, meaning that incentives and non-incentives at PT Anugerah Firdaus Mandiri are influenced by incentive and non-incentive factors, while the remaining 53.6% is influenced by other factors not included in this research. In general, the R Square determination value is > 0.05, meaning the R Square determination value is said to be good.

DISCUSSION

Incentive variable X1 has a linear relationship with Variable Y job satisfaction, Non-incentive variable This job satisfaction comes from receiving incentives such as supervision, work environment, promotions and wage/salary rewards and non-incentives such as special equipment and facilities in the office, official titles or awards, vacations.

Variable length of work, lack of supervision of work activities in the field without understanding the company's vision and mission. The non-incentive variable X2 with the hypothesis shows a significant influence on variable Y job satisfaction, because all indicators have met employee expectations.

CONCLUSION AND SUGGESTION

This research shows that both financial and non-financial incentives have a significant influence on employee job satisfaction at PT Anugerah Firdaus Mandiri. This finding has important implications for the management of PT Anugerah Firdaus Mandiri in designing incentive policies. The coefficient of determination (Adjusted R-squared) of 0.464 indicates that the regression model used is able to explain 46.4% of the variation in employee job satisfaction. This means that financial and non-financial incentives play an important role in increasing job satisfaction, although there are other factors that are not explained by this model. Therefore, companies can increase employee effectiveness and productivity by focusing on increasing incentives, both in financial forms such as bonuses and salaries, and non-financial such as awards and career development.

Based on these findings, it is recommended that PT Anugerah Firdaus Mandiri strengthen financial and non-financial incentive programs to increase employee job satisfaction. Management needs to allocate adequate resources for financial incentives such as salary increases, bonuses, and benefits, as well as non-financial incentives such as training, recognition, and a conducive work environment. In addition, companies need to conduct further research to identify other factors that can influence employee job satisfaction, so that they can create a more comprehensive and effective strategy in improving overall employee performance.

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