

Effect of Wages and Incentives on Employee Performance of PT. Bank of North Sumatra, Lubuk Pakam Branch

Andri Prayogi

Management Study Program, Sekolah Tinggi Ilmu Ekonomi LMII, Indonesia

ARTICLEINFO

Keywords:

Wage,
Incentive,
Employee Performance.

ABSTRACT

Every company or agency in implementing programs that are directed is always efficient to achieve company goals. One way is to improve employee performance. Performance as a result of employee work is seen from the aspects of quality, quantity, working time, and cooperation to achieve the goals that have been set by the organization. The company's performance is said to be of quality and successful in achieving its objectives, which can be influenced by factors that come from within the company such as the competencies possessed by employees and employee work discipline and the provision of financial compensation in accordance with the ability of employees to complete their duties and responsibilities, resulting in output quality. PT. Bank of North Sumatra which is a source of businesses engaged in banking. The level of employee commitment in providing the best service will greatly affect the achievement of the goals of the company which in turn will lead to the growth of the bank. Banks are business entities whose growth is highly dependent on the amount of third party funds that are collected and channeled again to the public. This research was conducted with the aim to determine the effect of Wages and Incentives on Employee Performance of PT. Bank of North Sumatra, Lubuk Pakam Branch. This is to determine the effect of Intellectual Competence on Employee Performance at the Lubuk Pakam Branch of the Bank of North Sumatra. This is to determine the effect of Work Discipline on Financial Compensation at the Lubuk Pakam Branch of the Bank of North Sumatra. The results of this study are the wages and incentives given to PT. Bank Sumut, Lubuk Pakam Branch, to the employees of Bank of North Sumatra has a very good effect on improving employee performance. PT. Bank of North Sumatra has made all employees very welfare without prioritizing personal interests. Employee performance of PT. Bank Sumut Lubuk Pakam Branch has increased the provision of good wages and incentives at PT. Bank of North Sumatra, Lubuk Pakam Branch, 2020.

E-mail:

andriprayogi@gmail.com

This is an open access article under the [CC BY-NC](https://creativecommons.org/licenses/by-nc/4.0/) license.



INTRODUCTION

The role of human resources becomes increasingly important when linked to global developments which are full of competitive competition among companies. One of the ways that companies do in facing competition is by empowering and exploring all the potential of their human resources to the fullest. In line with this, a company needs to increase its attention to the quality of its employees, both in terms of the quality of knowledge and skills, careers and welfare levels, so as to improve employee performance to give all their abilities in achieving company goals.



Intellectual competence affects employee performance, if an employee who has high intellectual competence such as knowledge, skills, abilities, and understanding in accordance with the position held is always motivated to work effectively, efficiently and productively. This happens because the competence possessed by the employee concerned is increasingly capable of carrying out the tasks assigned to him.

Based on the results of interviews with the general department of PT. Bank Sumut Lubuk Pakam Branch is related to the problem of intellectual competence, there are employees whose competencies are not in accordance with their field of work so that the achievement of the employee's performance is not optimal. Another problem that occurs is when the leader assigns tasks to employees related to data management on the computer, there are employees who are unable or lack knowledge in completing tasks given by the leadership. So what happens is that the employee asks for help from an outsourcing employee who is actually capable and knowledgeable in completing the task. Leaders want employees to complete their tasks on time and on target. But what happens is, the ability of employees to complete their work on time has not been fully implemented.

In addition to intellectual competence that affects employee performance, work discipline is one aspect that affects employee performance. According to Hasibuan (2016: 193) Work discipline is the awareness and willingness of a person to obey all company regulations and applicable social norms. Discipline must be enforced in a company organization. Without the support of good employee discipline, it is difficult for the company to achieve its goals. So, discipline is the key to the success of a company in achieving its goals.

The application of discipline for employees is expected to improve employee performance. One of the factors that influence work discipline according to Hasibuan (2016: 194-198) is a close working relationship and mutual help between employees, and between employees and leaders will have a good influence on employee job satisfaction and lead to good performance output as well. . These factors are expected to be able to provide excellent service so that it has added value for the services of the company.

Regarding work discipline, there are still employees who are less disciplined and do not obey the rules made by the company. In other words, employee awareness of discipline is still lacking. From the results of the interview, employee discipline will affect the benefits or bonuses received by employees. If the employee's discipline is good, then the employee will not get a cut in benefits. Conversely, if the employee is not disciplined, the employee will get an allowance discount of IDR 50,000 / day. Discipline of employees of PT. Bank Sumut Lubuk Pakam Branch can be seen from the employee absentee level.

PT. Bank of North Sumatra which is a source of businesses engaged in banking. The level of employee commitment in providing the best service will greatly affect the achievement of the goals of the company which in turn will lead to the growth of the bank. Banks are business entities whose growth is highly dependent on the amount of third party funds that are collected and channeled again to the public. The role of this company is very important in an effort to encourage the economic growth of a country through regulating financial circulation, so that companies must continuously improve service to customers, company performance and profitability in order to be able to maintain and increase their contribution to economic progress in the banking sector.

In order for the company to improve the quality of its employees, the company needs to prepare employees who are skilled in doing their jobs either quickly or accurately. Employees who occupy a certain position in the company, do not necessarily have the abilities that are in accordance with the requirements required in that position. With advances in science and technology, of course, will affect the company, especially for operational employees. Promotion in a company is a must, if the company wants to grow, sometimes the ability of an employee to be promoted is still not enough. It is important that training is not only for the employees concerned but also for the company. PT. Bank Sumut Lubuk Pakam Branch is located on Jalan Kartini Lubuk Pakam, consisting of 25 employees, namely Branch Managers, Deputy Branch Managers,



Operations Section, Customer Service Section, Marketing Section, Credit Handling Section, Technicians, Security, and Cleaning Services.

METHOD

This research was conducted at PT. Bank of North Sumatra, Lubuk Pakam Branch. The time of the research was conducted from April to June 2020.

According to Sugiyono (2005: 80), "Population is a generalization area consisting of: objects / subjects that have a certain quantity and characteristics that are applied by researchers to study and then draw conclusions". According to Ismiyanto, "population is the whole subject or the totality of research subjects which can be in the form of people, objects / things in which it can be obtained and or can provide research information (data)". Meanwhile, according to Arikunto "Population is the whole object of research. If someone wants to research all the elements that exist in the research area, then the research is a population study. This study is a population study. The population in this study were all employees of PT. Bank of North Sumatra, Lubuk Pakam Branch.

According to Arikunto (2006: 131), the sample is a part or representative of the population under study. If we are only going to study a portion of the population, it is called a sample study. Nana Sudjana and Ibrahim (2004: 85) state that the sample is a part of the affordable population which has the same characteristics as the population. The sample in this study were 30 respondents, namely employees of PT. Bank of North Sumatra, Lubuk Pakam Branch.

Data Sources and Data Collection Techniques

The primary data needed is the effect of wages and incentives on independent variables and employee performance as the dependent variable. Data obtained from PT. Bank Sumut Lubuk Pakam Branch is primary data by distributing questionnaires to consumers who are sampled in this study.

Secondary data required in this study are data obtained from the results of similar research, literature or other written sources that inform the research variables.

The data obtained are in the form of company documents, literature and articles that are relevant to the object of research. For example, reference books, general and international journals, additional literature whose validity can be justified by the author.

In order to obtain data and information regarding this writing material, the authors use the following data collection methods:

1. Observation, namely research conducted by visiting the object of research directly to obtain the data needed in this study.
2. Interview is research conducted by conducting interviews with a number of consumers who have something to do with this research.
3. Documentation, namely research conducted by collecting documents or archives that are related to the role of credit and promotion to consumers.
4. Questionnaire, namely research conducted by distributing questionnaires to a number of respondents who were the sample in this study.

Data analysis

To analyze the data done with the help of a computer. To find out "The Effect of Wages and Incentives on Employee Performance of PT. Bank of North Sumatra, Lubuk Pakam Branch ". With this statistical test using the Chi Square test. Chi Square is one type of non-parametric comparative test that is carried out on two variables, where the data scale of the two variables is nominal. (If of 2 variables, there is 1 variable with a nominal scale, then the chi square test is carried out by referring that the test must be used at the lowest degree). The chi-square test is the most widely used non-parametric test. However, it is necessary to know the requirements of this test are: the frequency of respondents or samples used is large using the SPSS program. If $\alpha > \alpha$ table then H_0 is rejected, meaning that there is a significant relationship. If α table then H_0 fails to be rejected, meaning that there is no significant relationship.

Rumus Chi square

$$\chi^2 = \sum_{i=1}^k \frac{(O_i - E_i)^2}{E_i}$$

Where,

O_i= number of cases observed in category-i

E_i= expected cases in category i below

H₀= $\sum_{k=1}^k$ the sigma notation that shows the summation for all categories (k) where E_i = N/k ;

N= $\sum N_i O_i$

The hypothesis of this research is that H_a is accepted. H₀ is rejected, that is, there is an Influence of Wages and Incentives on Employee Performance of PT. Bank of North Sumatra Lubuk Pakam in 2020.

RESULTS AND DISCUSSION

Based on the results of the study, the characteristics of the respondents, namely age and education, can be seen from the distribution of the 30 respondents, the characteristics of respondents according to age, it can be seen that the majority of respondents are 20-35 years old, namely 20 people (67%) and a minority aged 36-50 years, namely 10 people (33%). Characteristics based on education, the majority of respondents have a tertiary level education with a total of 21 people (70%) and a minority SMA with a total of 9 people (30%). Characteristics based on gender, the majority of respondents, male employees are 20 people (67%) and the number of female employee respondents is 10 people (33%). characteristics of wages and incentives for employees of PT. The number of good Wages or incentives from the respondents is 2 people (7%). Respondents Distribution of Respondents Frequency Based on Employee Performance at PT. Bank of North Sumatra, Lubuk Pakam Branch, the majority are good as many as 26 people (87%), and the minority of respondents whose work performance is not good as many as 4 people (13%).

Reliability Test

Based on the reliability test, the next test is the reliability test. The purpose of this reliability test is to measure that the variables used are completely error free so as to produce consistent results. A variable is said to be reliable if the Cronbach Alpha (α) value is > 0.50. Based on table 4.1.6, it is found that the Cronbach Alpha value is 0.947 so that 0.947 > 0,50, it can be said that the questionnaire compiled is reliable or reliable as a data collection tool in research.

Table 1. Chi-Square Test

Upah dan Insentif Terhadap Kinerja Pegawai	Kinerja Pegawai				Jumlah		P
	Baik		Tidak Baik				
	F	%	F	%	F	%	
Baik	28	93	26	87	28	93	0,009
Tidak Baik	2	7	4	13	2	7	
	30	100	30	100	30	100	

Based on the table above, it can be seen that the respondent's effect of reward on the employee performance of PT. Bank Sumut Lubuk Pakam Branch has a good influence with the majority of 28 people (93%), the minority of respondents who are not good 2 people (7%).

Based on the results of the table above by using the Chi-Square test, the sig value is 0.000 < $\alpha = 0.05$, df = 2 is obtained X² count> X² table (19.402 > 5,991), this result means that there is

an effect of wages and incentives on the performance of Lubuk Pakam branch employees. 2020 year.

Discussion

There are two factors that affect employee performance, namely internal factors and external factors. Internal factors are factors related to a person's characteristics including attitudes, personality traits, physical characteristics, motivation, age, gender, education, performance experience, cultural background, and other personal variables. External factors are factors that affect employee performance that come from the environment, which include organizational policies, leadership, actions of colleagues, supervision, the wage system, and the social environment (Siti Munafiah, 2018).

The performance dimension is the qualities or faces of a job or activities that occur in the workplace which are conducive to measurement ". The work dimension provides a tool to describe the overall scope of activities in the workplace, meanwhile, the responsibilities and obligations provide a depersonalization research department. The performance dimensions are grouped into three types, namely work results, work behavior, and personal characteristics related to work. Employee performance indicators are as effectiveness and efficiency when a certain goal can finally be achieved, we can say that the activity is effective. If the results sought from an activity have a more important value than the results achieved, resulting in dissatisfaction even though they are effective, this is called inefficient. Conversely, if the consequences that are not sought are not important / trivial, then the activity is efficient. In connection with that we can say something is effective when it reaches a certain goal. It is said to be efficient if it is satisfying as a driving force to achieve the goal, regardless of whether it is effective or not. Authority and Responsibility Authority is the right of a person to give orders (to subordinates), while responsibility is an inseparable part or as a result of having such authority. When there is authority, it means responsibility automatically arises.

Discipline includes obedience and respect for agreements made between companies and employees. Discipline is also closely related to the sanctions that need to be imposed on the violating party. Someone's initiative is related to thinking power, creativity in the form of ideas to plan something related to organizational goals. (Widyamini, 2016).

CONCLUSION

Wages and incentives given to PT. Bank Sumut Lubuk Pakam Branch to the employees of Bank of North Sumatra has a very good effect on improving employee performance. PT. Bank of North Sumatra has made all employees very welfare without prioritizing personal interests. Employee performance of PT. Bank Sumut Lubuk Pakam Branch has increased the provision of good wages and incentives at PT. Bank of North Sumatra, Lubuk Pakam Branch, 2020.

REFERENCES

- Alvin A. Rens, Randal J. Elder, Mark. S. Beasley 2018, Auditing. Salemba Empat : Jakarta
- Bank Sumut, 2015, Program Kerja Kontrol Intern pada PT. Bank Sumut Cabang Lubuk Pakam
- Djoko Muljono, 2015. "manajemen sumber daya manusia" .jakarta:PT Bumi Aksara.
- Hasibuan, 2017. Sumber Daya Manusia. Bandung: Remaja Karya. 2000.
- Mulyadi, 2016. Auditing. Salemba Empat : Jakarta
- Nurjanah, 2018. "Pengaruh Budaya Organisasi terhadap Komitmen Organisasi dalam meningkatkan Kinerja Karyawan (Studi pada Biro Lingkup Departemen Pertanian).
- Mariani, 2018. "Antiseden dan Moderasi Kualitas Penilaian Kinerja terhadap Kinerja Karyawan (Studi kasus pada pemerintah Kabupaten Semarang)".
- Miftah, Thoha. "Kepemimpinan dalam Manajemen". (Jakarta : PT Grafindo Indonesia, 2016).
- Muhammad, Zainur. 2017. "Upah Kerja". (Malang : Averroes Press).
- Mulyadi, 2017. "Sistem Akuntansi". (Jakarta : Salemba Empat).
- Nur, Indriantoro. 2019. "Metode Penelitian Bisnis". (Yogyakarta : BPF).



- Sawyer, 2019. "Internal Auditing". (Jakarta : Salemba Empat).
- Sutrisno, 2018. *Pengertian Kinerja Karyawan*. Jakarta: Alfabeta
- Siti, Munafiah. 2018. "Pengaruh Kompensasi dan Supervisi terhadap Kinerja Karyawan (Studi Kasus pada PT. Industri Sandang Nusantara)".
- Suyadi, Prawirosentono. 2018. "Manajemen Sumber Daya Manusia Kebijakan Kinerja Karyawan". (Yogyakarta : BPFE).
- Tika, Pabundu. 2017. "Budaya Organisasi dan Peningkatan Kinerja Karyawan". (Jakarta : Bumi Aksara).
- Veizhal, Rivai. 2019. "Kepemimpinan dan Prilaku Organisasi". (Jakarta : PT. Raja)
- Warren, Reeve, Fess. 2005, *Pengantar Akuntansi*. Salemba Empat : Jakarta.
- Widyamini. 2016. "Hubungan Reward dan Kompetensi terhadap Kinerja Pegawai Dinas Kesehatan Kota Depok" (Jurnal Ekonomi bisnis, No. 2 Vol 13") .
- Wirawan. 2017 "Evaluasi Kinerja Sumber Daya Manusia". (Jakarta : Salemba Empat).
- Wibowo, 2015. "Pengaruh Upah kerja terhadap prestasi kerja karyawan", (Bandung:Alfabeta)