The Effect of Performance Assessment and Incentives on Increasing Employee Achievement in PT. Indonesia Asahan Aluminium

Nadia Ika Purnama
Fakultas Ekonomi dan Bisnis, Universitas Muhammadiyah Sumatera Utara
Jl. Kaptain Mukhtar Basri No. 3 Tel. (061) 6624567 Medan 20238
Correspondence Email: nadiaika@umsu.ac.id
ORCID ID: https://orcid.org/0000-0002-5427-132X

ARTICLE INFORMATION

ABSTRACT

The importance of human resources for companies because it is the main factor where they have different emotions, feelings, desires and abilities, from which they have grown and developed so that a good level of work productivity can be achieved. Thus, it is necessary to integrate these aspects according to the needs of the organization. In this research will be discussed about performance appraisal and incentives as independent variables and work performance as the dependent variable with research at PT. Indonesia Asahan Aluminum. While the formulation of the research problem is: "How big is the influence of performance appraisal and incentives on improving employee performance at PT. Indonesia Asahan Aluminum ". The purpose of this study was to describe the incentive program and work performance improvement implemented by PT. Indonesia Asahan Aluminum, to measure the level of work effectiveness of employees at PT. Indonesia Asahan Aluminum and to describe the significant level of influence of performance appraisals and incentives on improving employee performance at PT. Aluminum Asahan Indonesia. The results of this study indicate that the incentive program and work performance improvement implemented by PT. Indonesia Asahan Aluminum basically includes the provision of salaries and wages as well as overtime pay as well as the provision of social security for workers, in the form of old-age benefits, occupational health and safety benefits, bonuses and others. The level of work effectiveness of employees at PT. Indonesia   Asahan

Aluminum showed very significant results where from the results of the distribution of the questionnaire it was known that the answers given were quite valid and reliable. Meanwhile, from the test results, it is known that the calculated r value > from r table, namely $rx_1y = 0.772$, $rx_2y = 0.631$ and $rx_1x_2 = 0.548 > 0.423$. So that the hypothesis is accepted, which means that there is an influence of the variable x_1 (performance appraisal) with x_2 (incentive) on the variable y (work performance) of employees at PT. Indonesia Asahan Aluminum . The significant level of influence of performance appraisal and incentives on improving employee performance at PT. Indonesia Asahan Aluminum is found in the coefficient interval 0.80 – 0.100, then the relationship between the variables x_1 (performance appraisal) and x_2 (incentives) and jointly correlated with the variable y (work performance) is included in the category of a very strong relationship with the value determination of 84.4%.

Keywords: Assessment Performance, Incentives, Job Performance

JEL Classification: B26, C02, C52, F47

INTRODUCTION

It can be seen in general that every company tries to create a good working climate, thus enabling the achievement of the goals of the company, employees and society. Goals will not be possible without the active role of employees, and also without their participation company activities will not occur. Every company has goals that must be achieved, the achievement of company goals can be ensured by the use of available resources. (Basu, 2008) One of these resources is the company's resources.

Many companies ignore the importance of managing and utilizing their human resources so that there are often various obstacles and obstacles in achieving the company's goals. For this reason, the sources or factors that support these achievements must be utilized as efficiently and effectively as possible, so that the company's operations can run well, smoothly, and goals can be achieved easily.

According to (Handoko, 2014)which states that "performance assessment and incentives are part of the factors - factors that can affect individual performance in an organization".

LITERATURE REVIEW

According to (S. Hasibuan, 2002, p. 10)states that "Human Resource Management is the science and art of regulating the relationship and role of the workforce to be effective and efficient in helping the realization of the goals of the company, employees, and society".

According to (Flippo, 2010, p. 246) states that "the assessment stimulates and guides the development of employee performance." According to (Jackson, 2001, p. 83)states that "Performance appraisal is important when organizations lay off, promote or pay people differently, because these things require critical defense if employees demand existing decisions".

According to(Sutrisno, 2016) states that "Incentives are giving incentives to employees to be enthusiastic about doing their job well." According to (M. S. . Hasibuan, 2013, p. 105), argues that "Work achievement is a result of work achieved by a person in

carrying out the tasks assigned to those based on skills, experience, and sincerity over time".

According to (Hariandja, 2004, p. 47) as quoted by (As'ad, 2010, p. 47), "Work achievement as a person's success in carrying out a job." Even more firmly according to (Handoko, 2014, p. 50) as also quoted by(As'ad, 2010, p. 47) that "Achievement is a successful role achievement obtained by someone from his actions." From the three definitions above, it can be concluded that work performance is the result of work or performance or performance achieved by the workforce based on the skills, experience, sincerity, and time required (Prayogi, 2019).

Figure 1. Conceptual Framework
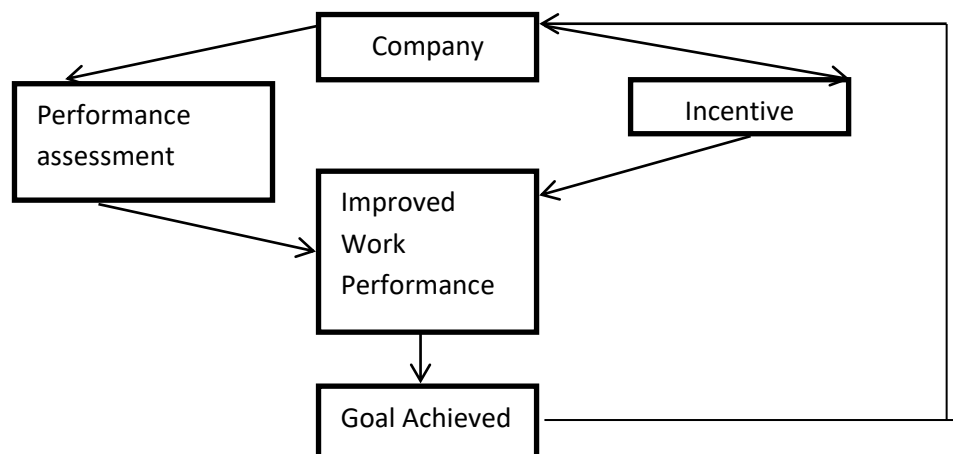
According to (Kuncoro, 2009, p. 47), a hypothesis is a temporary explanation of certain behaviors, phenomena, or circumstances that have occurred or will occur. The hypothesis proposed in this study is "There is a significant effect of performance appraisal and incentives on increasing employee performance at PT. Indonesia Asahan Aluminum".

RESEARCH METHOD

The research location is at PT. Indonesia A sahan Aluminum. The object of the research is the effect of performance appraisal and incentives on increasing employee performance at PT. Indonesia Asahan Aluminum (Sugiyono, 2010).

The proposed population is all employees in PT. Indonesia Asahan Aluminum with the status of 150 permanent employees . Furthermore, if the number is more than 100 people, it can be taken between 10% - 15% or 20% - 25%. So in this study the sample proposed is 15% of the total population so that 150 x 15% = 22.5% rounded up to 22 people.

The data analysis techniques used are:
Multiple linear regression test with the formula:
$Y = a + b X_1 + bX_2$

RESULTS AND DISCUSSION

After efforts to exploit the potential of the Asahan River which flows from Lake Toba in North Sumatra Province to generate electricity failed during the Dutch East Indies

administration, the Government of the Republic of Indonesia was determined to realize the construction of a Hydroelectric Power Plant (PLTA) on the river (Prasetyo, 2010). Based on respondents' answers score tabulation table to variable (X_1) an assessment of the performance of the above, it is an instrument consisting of 8 items (items) of the questions answered by the respondents carried out testing the validity of each item used. The test is carried out by correlating the score of each item with the total score which is the sum of each score of each item of the respondent's answer (Suryabrata, 2012).

The test will be carried out using SPSS software version 24.0, where the validity of a question item can be seen in the SPSS output with the title item total statistics. Assessing the validity of each question item can be seen from the Corrected item total correlation value of each question item. A question item is said to be valid if the correlation > from r table (Sujarweni, 2014).

The above data output or SPSS output shows the statistical reliability table on SPSS Ver. 24.0 which is seen as Cronbach's Alpha 0.933 > 0.60. It can be said that the question construct which is the dimension of the performance appraisal variable is reliable (Putri, 2021).

Based on respondents' answers score tabulation table to variable (X_2) incentives above, the instrument consisting of 8 items (items) of the questions answered by the respondents carried out testing the validity of each item used. The test is carried out by correlating the score of each item with the total score which is the sum of each score of each item of the respondent's answer.

The test will be carried out using SPSS software version 24.0, where the validity of a question item can be seen in the SPSS output with the title item total statistics. Assessing the validity of each question item can be seen from the Corrected item total correlation value of each question item. A question item is said to be valid if the correlation > from r table (Arikunto, 2010).

The results of the analysis show that all the questions asked are valid so that it can be said that all the questions can be used because r-count is greater than r table so that it can be said to meet the validity requirements (Prihatini, 2021). The above data output or SPSS output shows the statistical reliability table on SPSS Ver. 24.0 which is seen as Cronbach's Alpha 0.937 > 0.60. It can be said that the question construct which is the dimension of the shared incentive variable is reliable.

Based on the tabulation table of respondents' answers to the work performance variable (Y) above, the instrument consisting of 8 items (items) of the questions answered by the respondents was tested for the validity of each item used. The test is carried out by correlating the score of each item with the total score which is the sum of each score of each item of the respondent's answer.

The test will be carried out using SPSS software version 24.0, where the validity of a question item can be seen in the SPSS output with the title item total statistics. Assessing the validity of each question item can be seen from the Corrected item total correlation value of each question item. A question item is said to be valid if the correlation > from r table (Sutrisno, 2011).

The data output or SPSS output shows the statistical reliability table on SPSS Ver. 24.0 which is seen as Cronbach's Alpha 0.940 > 0.60. It can be said that the question construct which is a variable dimension of joint work performance is reliable. From

these results, it can be seen whether there is an influence and how much influence the variable x_1 (performance assessment) has on the variable y (work performance), by first testing the truth of the hypothesis through multiple correlation calculations (Yonathan, 2018).

To calculate whether the relationship between variable x_1 (performance appraisal) and variable y (job performance) is significant or not, it can be determined through the following calculations (Lesamana, 2018). The result of the calculation, namely rx_1y = 0.772 is the result of the correlation between variable x_1 (performance appraisal) and variable y (work incentives) is positive or in other words has a positive relationship. Meanwhile, the correlation between x_2 (incentive) and the variable y (job performance) is as follows (Hartono, 2018)
The result of the above calculation, namely rx_2y = 0.631 is the result of the correlation between the variable x_2 (incentive) and the variable y (employee work performance) is positive or in other words has a positive relationship. Then to find out the correlation between the variables x_1 (performance assessment) and x_2 (intensive) are as follows:

$$r\,x_1x_2 = \frac{N.\Sigma X_1 X_2 \; - \; (\Sigma X_1)\,(\Sigma X_2)}{\sqrt{[(n.X_1{}^2)] - [(\Sigma X_1)^2].[(n.\Sigma X_2{}^2)] - [(\Sigma X_2)^2]}}$$

$$r\,x_1x_2 = \frac{22(9569\,) \; -(445)(471)}{\sqrt{(22.9479 - (445)^2)\{\; 22.(10453\,) - (471)^2\; \}}}$$

$$r\,x_1x_2 = \frac{210518 - 209595}{\sqrt{(208538 - 198025\,).(\; 229966 - 221841\,)}}$$

$$r\,x_1x_2 = \frac{923}{\sqrt{10513\,x\,8125}}$$

$$r\,x_1x_2 = \frac{923}{\sqrt{85418125}}$$

$$r\,x_1x_2 = \frac{923}{9242{,}192}$$

$$r\,x_1x_2 = 0{,}548$$

The result of the above calculation, namely rx_1x_2 = 0.548 is the result of the correlation between variable x_1 (performance appraisal) and variable x_2 (incentives) is positive or in other words has a positive relationship. To determine the effect of performance appraisal and incentives on employee performance at PT. Indonesia Asahan Aluminum, whether significant or not can be calculated using multiple correlation analysis as follows:

$$Ryx_1x_2 = \sqrt{\frac{r^2\,yx_1 + r^2\,yx_2 - 2r\,yx_1\,r\,yx_2\,r\,x_1x_2}{1 - r^2\,x_1x_2}}$$

$$Ryx_1x_2 = \sqrt{\frac{(0,772)^2 + (0,631)^2 - 2(0,772)(0,631)(0,548)}{1 - (0,548)}}$$

$$Ryx_1x_2 = \sqrt{\frac{0,595 + 0,398 - 1,544(0,631)(0,548)}{1 - (0,548)}}$$

$$Ryx_1x_2 = \sqrt{\frac{0,993 - 0,533}{0,50}}$$

$$Ryx_1x_2 = \sqrt{\frac{0,46}{0,50}}$$

$$Ryx_1x_2 = \sqrt{0,92}$$

$$Ryx_1x_2 = 0,959$$

The result of these calculations is the value obtained from the calculation of the correlation between the variables x_1 (performance appraisal) and x_2 (incentives) together with the variable y (work performance) which means it has a positive relationship.

Based on the table, it is known that $Ryx_1x_2 = 0.959$ is found in the coefficient interval 0.80 – 0.100, so the relationship between the variables x_1 (performance appraisal) and x_2 (incentives) and jointly correlated with the variable y (work performance) is included. in the category of very strong relationships. If the calculated r value is equal to or greater than the r table value, then the proposed hypothesis is accepted or the correlation value is significant, then if the calculated r value is less than the r table value, the proposed hypothesis is rejected. From these data, the value of r table with a significant level of 5% and n = 22 is 0.423. It means that the calculated r value > from r table, namely $rx_1y = 0.772$, $rx_2y = 0.631$ and $rx_1x_2 = 0.548 > 0.423$. So that the hypothesis is accepted, which means that there is an influence of the variable x_1 (performance appraisal) with x_2 (incentive) on the variable y (work performance) of employees at PT. Indonesia Asahan Aluminum. To see if the coefficient can be generalized, it must be tested for significance through calculations using the formula:

$$F = \frac{R^2 / k}{(1 - R^2)/(n - k - 1)}$$

$$F = \frac{(0,959)^2 / 2}{(1 - (0,959)^2 /(22 - 2 - 1)}$$

$$F = \frac{0,919/2}{(1 - (0,919)/(19)}$$

$$F = \frac{0,459}{0,054}$$

$$F = 8,5$$

So the value of Fcount (Fh) = 8.5, this value is then consulted with the F table based on the dk of the numerator = k and dk of the denominator = (nkl). Then obtained F table = 3.52. These results indicate that the calculated F is greater than the F table, namely 8.5 > 3.52, so the multiple correlation coefficient tested is significant.
D = r^2 x 100%
D = $(0.919)^2$ x 100%

D = 0.844 x 100%
D = 84.4%

Thus it can be seen that the percentage of influence between the independent variable (x1), namely performance appraisal and the independent variable (x2), namely incentives with the dependent variable (y) on the work performance of employees at PT. Indonesia Asahan Aluminum is 84.4%, while the remaining 15.6% is influenced by other factors.

CONCLUSION

Conclusion
The incentive program and work performance improvement implemented by PT. Indonesia Asahan Aluminum basically includes the provision of salaries and wages as well as overtime pay as well as the provision of social security for workers, in the form of old-age benefits, occupational health and safety benefits, bonuses and others. The level of work effectiveness of employees at PT. Indonesia Asahan Aluminum showed very significant results where from the results of the distribution of the questionnaire it was known that the answers given were quite valid and reliable. Meanwhile, from the test results, it is known that the calculated r value > from r table, namely $rx_1y = 0.772$, $rx_2y = 0.631$ and $rx_1x_2 = 0.548 > 0.423$. So that the hypothesis is accepted, which means that there is an influence of the variable x_1 (performance appraisal) with x_2 (incentive) on the variable y (work performance) of employees at PT. Indonesia Asahan Aluminum. The significant level of influence of performance appraisal and incentives on improving employee performance at PT. Indonesia Asahan Aluminum is found in the coefficient interval 0.80 – 0.100, then the relationship between the variables x_1 (performance appraisal) and x_2 (incentives) and jointly correlated with the variable y (work performance) is included in the category of a very strong relationship with the value determination of 84.4%.

Suggestion
1. Although the employee performance appraisal at PT. Indonesia Asahan Aluminum is quite good and satisfactory, but the management of the company should not be complacent and even further improve the accuracy of the performance appraisal by evaluating the assessment system that has been applied so far.
2. The provision of incentives has been quite well received by employees, but even so, an evaluation is needed in the implementation of incentives, especially for low-level employees.
3. Paying attention to the results of correlation calculations, besides paying attention to performance appraisals and incentives in an effort to improve employee performance at PT. Indonesia Asahan Aluminum, other conditions should be sought, especially the role of Human Resource Management.

ACKNOWLEDGMENT

DECLARATION OF CONFLICTING INTERESTS
The author has no conflict of interest in writing this article

REFERENCES

Arikunto, S. (2010). *Prosedur Penelitian Suatu Pendekatan Praktik* (14th ed.). Rineka Cipta.

As'ad, M. (2010). *Psikolog Industi*. Liberty.

Basu, S. (2008). *Manajemen Pemasaran Modren*. Liberty.

Flippo. (2010). *Manajemen Organisasi*. Erlangga.

Handoko, H. T. (2014). *Manajemen Personalia dan Manajemen Sumber Daya Manusia*. BPFE.

Hariandja, E. (2004). *Manajemen Sumber Daya Manusia.* PT. Gramedia Widia Sarana Indonesia.

Hartono, D. S. J. C. (2018). DEVELOPING MARKETING STRATEGY OF NASATECH KITCHEN SET MALANG TO ENTER A NEW MARKET IN USA. *International Journal of Applied Business and International Management (IJABIM)*, 101–117.

Hasibuan, M. S. . (2013). *Manajemen Sumber Daya Manusia* (Ketujuh). Bumi Aksara.

Hasibuan, S. (2002). *Manajemen Sumber Daya Manusia*. Bumi Aksara.

Jackson, M. &. (2001). *Manajemen Sumber Daya Manusia.* Salemba Empat.

Kuncoro, M. (2009). *Metode Riset Untuk Bisnis dan Ekonomi*. Erlangga.

Lesamana, M. T. L. P. (2018). Pengaruh Insentif dan Kebijakan Universitas Terhadap Kinerja Dosen Dalam Penelitian dan Pengabdian Kepada Masyarakat. *Jurnal Riset Sains Manajemen*, 97–102.

Prasetyo, B. & L. M. J. (2010). *Metode Penelitian Kuantitatif*. Rajawali Pers.

Prayogi, M. A. M. T. (2019). Pengaruh Kompetensi dan Disiplin Kerja Terhadap Kinerja Pegawai. *Prosiding Festival Riset Ilmiah Manajemen & Akuntansi (FRIMA-2019)*, 665–670. http://prosidingfrima.stembi.ac.id/index

Prihatini, J. S. Z. (2021). The Factors Causing Changes in Community Livelihoods Around the Industrial Area in Sirnabaya Village, East of Telukjambe District, Karawang Regency, West Java Province. *International Journal of Applied Business and International Management (IJABIM)*, 131–136.

Putri, L. P. (2021). Pengaruh Literasi Keuangan Terhadap Keputusan Investasi Melalui Perilaku Keuangan Sebagai Variabel Moderating. *Seminar Nasional Teknologi Edukasi Sosial Dan Humaniora*, 769–775. https://doi.org/https://doi.org/10.53695/sintesa.v1i1.407

Sugiyono. (2010). *Metode Penelitian Bisnis* (15th ed.). Alfabeta.

Sujarweni, V. (2014). *Metodologi Penelitian*. Pustaka Baru Press.

Suryabrata, S. (2012). *Metodologi Penelitian*. Rajawali Pers.

Sutrisno, E. (2016). *Manajemen Sumber Daya Manusia* (Kedelapan). Kencana Prenada Media Group.

Sutrisno, H. (2011). *Metodologi Research* (Jilid 3). Andi.

Yonathan, F. C. I. S. (2018). DEVELOPING MARKETING STRATEGY OF PT ANGKASA DWI UTAMA TO AMERICA. *International Journal of Applied Business and International Management (IJABIM)*, 71–85.