



THE EFFECT OF FINANCIAL INCENTIVES ON MOTIVATION AND PERFORMANCE OF SALES PERFORMANCE AT PT. HADJI KALLA

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Abstract

The purpose of this research was to find out how much influence the provision of financial incentives had on the work motivation and performance of PT. Hadji Kalla, and to find out whether the provision of financial incentives has a direct or indirect effect on the performance of PT. Hadji Kalla. This research method uses a quantitative analysis methodology, namely path analysis (path) to find out how much influence the financial incentive variable (X1) has on work motivation (X2) on salesperson performance (Y). The results of this study indicate that the financial incentive variable has a positive and significant effect on work motivation and on the performance of PT. Hadji Kalla and financial incentive variables have an indirect effect on the performance of car salespeople at PT. Hadji Kalla through work motivation.

Keywords: *Financial Incentives, Motivation, Performance, Path Analysis.*

A. INTRODUCTION

Employees also have goals so that an integration is needed between company goals and employee goals. To seek integration between company goals and employee goals, it is necessary to know what the needs of each party are. Employees' needs are sought to be fulfilled through their work. If an employee has fulfilled all his needs then he will achieve job satisfaction and have a commitment to his needs then he will achieve job satisfaction and have a commitment to the company. In order to achieve good cooperation between employees and the company, it is necessary for the company to establish fair reward management for both parties. Reward management is the process of developing and implementing strategies, policies and systems that help an organization achieve its goals by getting and retaining the people it needs and by increasing its motivation and commitment (Armstrong, 1992).

The rewards management process is largely determined by business demands. Therefore, the philosophy underlying these business needs must also be understood. Because employees are also stakeholders (interested parties) in the organization, their needs must also be understood so that job satisfaction is achieved and can further develop commitment to the organization. Job satisfaction is achieved if the employee's needs are met through his work.

Based on several studies, an important factor that encourages an employee to have a commitment to the company is compensation or remuneration, namely in the form of financial and non-financial compensation. PT.Hadji Kalla is the largest automotive company in eastern Indonesia, especially in South Sulawesi and is the authorized main dealer for Toyota which controls the largest market share in the eastern region (around 42%) with a distribution network spread across the southern, central and southeastern Sulawesi regions. In order to achieve optimization of distribution activities, a uniformly applicable performance management is required. The spearhead of PT.

To improve the performance of these salespeople, the company's management provides financial incentives in addition to providing a basic monthly salary to these salespeople. As for the provision of financial incentives, some are fixed (every month) and some are not fixed (at a certain time according to the program run by the management of PT.Hadji Kalla). The system of providing fixed incentives to salespeople in the form of a rupiah value at a certain amount every month has been able to increase sales performance according to the target expected by the company. However, there are still salesmen/sales counters/sales ladies with the same number of incentives who have not reached the targets set by the company. Phenomena occur where there are salespeople who have achieved product sales that are more than the target, some are on target but some are not meeting the targets set by the company. The same condition occurs in almost all branches of PT. Haji Kalla.

B. METHODS

Research sites

The research location for the preparation of this thesis is the city of Makassar, namely the branch office of PT.Hadji Kalla which is located in three branches in Makassar, namely Jalan Hos Cokroaminoto, Jalan Urip Sumoharjo and Jalan Sultan Alauddin, Makassar.

Population and Sample

The population or unit of analysis in this study is the total number of PT. Hadji Kalla who are in three branches in Makassar as many as 61 people, consisting of:

1. Salesmen: 31 people
2. Sales Counter: 15 people
3. Sales ladies: 15 people

Method of collecting data

The data collection technique used in this study comes from:

1. Observation, namely collecting data through direct observation of the distribution system of PT. Haji Kalla.
2. Interview, namely data collection through direct interviews with research informants related to the sales system of PT. Haji Kalla.
3. Documentation study, namely the collection of data from written data sources, books, journals, as well as reports and scientific writings related to this research.

Data analysis method

Data analysis activities in this study were grouping data based on variables and presenting data for each variable studied, performing calculations to answer

the problem formulation and performing calculations for the hypotheses that had been proposed. The methods used in this study are: quantitative analysis, namely path regression analysis to determine how much influence the financial incentive variable (X1) and employee motivation (X2) and product sales performance (Y) use the equation:

$$Y = \beta_1 X_1 + \beta_2 X_2 + \epsilon$$

C. OPERATIONAL DEFINITION

- A. Incentive, Incentives are rewards to employees for all their hard work in improving tasks in providing services to customers beyond the salary received every month with varying amounts according to performance results (Ruky, 2002). Some experts say that giving a basic salary can only make workers feel safe, but is unable to provide motivation. Wages linked to performance (incentives) are said to be able to provide motivation to increase employee work productivity. Financial Incentives An incentive given to employees for their work (Sarwoto, 1996)
- B. Motivation, Motivation is also defined as an urge from within the individual based on which one behaves in a certain way to fulfill his desires and needs. Meanwhile, motivation can be interpreted as providing motives as a driving force for people to act, trying to achieve organizational goals (Silalahi, 2002).
- C. Performance, Performance can be interpreted as a relationship between real or physical results with input to obtain these results, or it can be interpreted as a comparison between output (output = result) and input (input) (Cushay, 1996)

D. RESEARCH RESULT

A. Effect of financial incentives on work motivation

The results showed that the financial incentive variable has a significant effect on work motivation and has a direct relationship with work motivation. This means that if there is an increase in financial incentives, work motivation is also expected to increase. Partial analysis through the path model shows that there is an influence between financial incentives and work motivation at PT Hadji Kalla. the indirect effect of financial incentives on the performance of car salespeople through work motivation is 0.167. This means that financial incentives are very important in increasing the performance of the car sales force even without giving work motivation.

The results of this study prove that financial incentives have a significant effect on work motivation. Therefore, the provision of financial incentives really needs to be done by policy makers in order to increase employee motivation at PT Hadji Kalla in the future.

B. The effect of financial incentives on the performance of car salespeople

The results showed that the financial incentive variable has a significant effect on the performance of the car sales force and has a direct relationship with the performance of the car sales force at PT Hadji Kalla. This means that if there is an increase in financial incentives, the performance of the car sales force is also expected to increase. Partial analysis through the path model shows that there is an influence between the financial incentive variable and

the performance of the car sales force at PT Hadji Kalla. This illustrates that financial incentives are one of the variables that need attention in order to spur the performance level of the car sales force at PT Hadji Kalla.

The financial incentive variable has a very significant effect on the performance of PT Hadji Kalla's sales force and ranks second from the independent variables that have been tested. This shows that the financial incentive variable is a very important factor in improving the performance of the car sales force at PT Hadji Kalla.

C. Effect of work motivation on the performance of car salespeople

The results showed that the variable work motivation has a significant effect on the performance of the car sales force and has a direct relationship with the performance of the car sales force at PT Hadji Kalla. This means that if there is an increase in work motivation, the performance of the car sales force is also expected to increase. Partial analysis through the path model shows that there is an influence between the variables of work motivation and the performance of the car sales force at PT Hadji Kalla. This illustrates that work motivation is a variable that needs attention in order to spur the performance level of the car sales force at PT Hadji Kalla.

The results of this study prove that work motivation has a significant effect on individual performance. Therefore, providing work motivation really needs to be done by policy makers in order to improve the performance of the car sales force at PT Hadji Kalla in the future

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