

The Effect Incentives and Leadership Style on Employee Performance (Case Study at the Class I Immigration Office in Bandung City)

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Abstract

This study aims to determine whether the provision of incentives and leadership styles affect the performance of employees at the Bandung Class I Immigration Office. The factors tested in this study were the provision of incentives and leadership styles as independent variables. While employee performance is the dependent variable. The research method used in this study is the verification method. The population in this study were employees of the Bandung Class I Immigration Office. The sampling technique used in this study is the probability sampling technique with saturated sampling technique. While the number of samples in this study amounted to 116 employees of the Class I Immigration Office in Bandung. While the analytical method used in this study is multiple linear regression analyze at a significance level of 5%. The program used in analyzing data uses Statistical Package for Social Sciences (SPSS) Ver19.00. Based on the results of research partially and simultaneously shows that the provision of incentives and leadership styles affect the performance of employees at the Bandung Class I Immigration Office. The magnitude of the effect of providing incentives and leadership style in contributing influence to employee performance by 61.7%.

Keywords: *Giving Incentives, Leadership Style, and Employee Performance.*

1. Introduction

1.1 Background

Competition in the business world will encourages every company to be able to improve its company's performance. Basically, every company has a certain vision and mission that must be achieved, gaining profit (profit oriented) is one of them. The company will make various efforts to achieve these goals by using production factors which include existing capital, skills, technology and employees. Employees have a very important role comparing to other production factors, especially in companies that involve a lot of employees (Fawzy, 2012; Saudi, 2018).

It is important for companies to be able to improve employee performance in order to achieve organization goals. Employee performance is the result that produced by certain job functions or activities at certain jobs during a certain period of time, which shows the quality and quantity of the work (Benardin & Russel, 2015).

Various cases regarding employee performance often occurred in many companies, including Class I Immigration Office in Bandung City. Class I Immigration Office Bandung City is one of the UPT Immigration in Bandung City that clearly has an important role. The main duties

and functions of the Class I Immigration Office of Bandung City are to carry out some of the duties and functions of the Head of the West Java Regional Office of the Ministry of Law and Human Rights in the immigration sector in the Regency and City of Bandung, including in terms of services to the community to manage travel documents, visas and facilities, residence and status permits, intelligence, investigations, transfers, cross-border, and foreign cooperation as well as immigration information systems (www.bandung.imigration.go.id, 2019).

These are the data which shown the performance appraisal of employees at the Class I Immigration Office in Bandung City in 2017 and 2018, which are as follows:

Table 1. Performance Appraisal of Class I Immigration Office of Bandung City 2017 and 2018

Assessments Criteria	Weight (%)	Year			
		2017		2018	
		Achievement Score	Score (%)	Achievement Score	Score (%)
Disciplinary	10%	95	9,5	75	7,5
Responsibility	10%	90	9	70	7
Teamwork	5%	90	4,5	70	4
Leadership	5%	90	4,5	80	4
Initiative	5%	90	4,5	75	3,75
Honesty	5%	80	4	80	4
Work Quality	20%	80	16	60	12
Work Quantity	20%	70	14	50	10
Work Skills	20%	75	15	65	13
Total	100%		81,75		65,25

Source: Divisi Human Resource and Development Kantor Imigrasi Kelas I Kota Bandung Information:

61 - 70,99 = Not good (KB); 81 - 90,99 = good (B)

71 - 80,99 = Pretty good (CB); 91 – 100 = very good (SB)

Based on Table 1, it shows that in 2017 the performance of employees of the Class I Immigration Office in Bandung is 81.75%, which is still in the good category. However, in 2018 the performance shown 65.25%, which is in the unfavorable category. Those reasons can be seen from several aspects of the performance appraisal criteria that have decreased. The decreasing in employee performance can also be seen from employee absences.

These data below are obtained regarding work discipline related to the level of attendance of employees of the Class I Immigration Office in Bandung, which are as follows:

1.2 Problem Identification

Based on the background above, the authors identify the problems to be several questions, which are as follows:

1. How's the effect of incentives on employee performance at the Class I Immigration Office in Bandung?
2. How's the influence of leadership style on employee performance at the Class I Immigration Office in Bandung?
3. How's the effect of incentives and leadership styles on employee performance at the Class I Immigration Office in Bandung?

1.3 Goals of the Research

Based on the identification above, the purpose of this research are to be follows:

1. To determine the effect of incentives on employee performance at the Class I Immigration Office in Bandung.
2. To determine the effect of leadership style on employee performance at the Class I Immigration Office in Bandung.
3. To determine the effect of incentives and leadership styles on employee performance at the Class I Immigration Office in Bandung.

1.4 Research Benefits

This research is expected to giving the benefits of particular use to several parties related to this research, namely as follows:

1. For the author

Implementing the theories that have been studied in college and also gaining knowledge from this case study. It provides the opportunity for writers to apply the knowledge and theories learned so far, especially in Human Resource Management.

2. For the Company

Providing input to companies in making human resource management policies in companies related to providing incentives, leadership styles, and employee performance at the Class I Immigration Office in Bandung.

3. For Other Researchers

Become a reference material for further research in examining the effect of incentives and leadership styles on employee performance.

2. Basis of Theory

2.1 Definition of Management

According to Hasibuan (2016) states that the definition of management is as follows:

"Management is the science and art of regulating the process of utilizing human resources and other resources effectively and efficiently."

Meanwhile, according to Handoko (2011) states that the definition of management is as follows:

"Management is working with people to define, interpret, and achieve organization goals by performing the functions of organizing planning, personnel planning, direction, leadership, and supervision."

Based on the above understanding, it can be concluded that management is a process in which it consists of planning, organizing, directing, and monitoring through human and other resources to achieve predetermined goals effectively and efficiently.

2.2 Definition of Human Resource Management

According to Bangun (2014) states that the meaning of human resource management is a process, planning, organizing, staffing, mobilizing, and supervising procurement to developing, giving compensation, integration, maintenance and separation of labor to achieve organization goals.

2.3 Definition of Giving Incentives

According to Riani (2014) states that giving incentives is to motivate employees to achieve a certain target. Incentives in its development can take various forms: bonuses, commissions both financially (money and shares) or in the form of other benefits (trips abroad, houses, cars, etc.).

2.4 Definition of Leadership Style

According to Rivai (2014) states that leadership is the ability of a leader to influence others by provoking positive feelings in the people he leads to achieve the desired goals.

2.5 Definition of Employee Performance

According to Bernardin and Russel (2015), employee performance is the result produced by certain job functions or activities at certain jobs during a certain period of time, which shows the quality and quantity of the work.

2.6 Past Research

Table 2. The review of Past Research

No.	Researcher	Title	Results	Similarity and Difference
1.	Alriani dkk (2017)	The influence of leadership style and incentives on employee performance	The results showed that the leadership style and incentives had an effect on employee performance	The similarity of this research is both of these research using independent variables, which are leadership style and providing incentives and the dependent variable is employee performance. The difference in this study is that in previous studies using PT Djas Success Support as subject of the research
2.	Yulianti dkk (2016)	The effect of incentives and leadership on permanent employee performance	The results showed that the leadership style and incentives had an effect on employee performance	The similarity in this research is by using same independent variables, which are leadership style and providing incentives and use employee performance as dependent variable. The difference in this study is that in previous studies using data taken from PTPN XII Kaliselogiri Banyuwangi as subject

3. Methodology

This research using Quantities methods. Quantitative research is a research based on the philosophy of positivism, used to examine specific populations or samples, data collection using research instruments, quantitative / statistical data analyze, with the aim of testing predetermined hypotheses (Sugiyono, 2017).

Meanwhile, according to Sugiyono (2017) states that the research method is a scientific way to obtain data with specific purposes and uses.

The research methodology uses in this research is the verification method. According to Nazir (2014) states that the verification method aims to determine the causal relationship

between variables through a hypothesis testing through a statistical calculation so that evidence can be generated that shows the hypothesis is rejected or accepted."

3.1 Object of Research

Class I Immigration Office of Bandung City located on Jl. Surapati No.82, Cihaur Geulis, Kec. Cibeunying Kaler, Bandung City, West Java 40122.

3.2 Types and Sources of Data

1. Primary Data
2. Secondary Data, which is the second data source that serves as a complement to the primary data

3.3 Data Collection Techniques

The writer collected data through several ways, including: Library Research and Field Research by spreading out questionnaires, observations and interviews.

3.4 Data Analyze Techniques

The data analyze technique used in this study was multivariate analyze. Multivariate analyze is an analyze of several variables in one relationship or set of relationships (Hair et al., 2014). Multivariate analyze used in this study is multiple linear regression analyze using SPSS Vers.25 software.

3.5 Research Instruments

Researching is measuring, so in order to achieve that a good measure tools is needed. The research instrument is a tool used to measure natural and social phenomena which are observed. The variables in this study consisted of independent variables (independent) and dependent variables (dependent).

3.6 Variable Measurements

All variables in the operational variable table above are measured by measuring instruments in the form of a questionnaire that fulfills the Likert scale type statements. According to Sudjana (2014), to determine the length of the interval class, the following formula is used:

$$\begin{aligned}
 \text{Minimum Score} &= 1 \\
 \text{Maximum Score} &= 5 \\
 \text{Interval} &= \text{Maximum Score} - \text{Minimum Score} (5 - 1) \\
 &= 4) \\
 \text{Classes} &= 5 \\
 \text{Interval} &= \text{Interval} : \text{Level} (4 : 5 = 0,8)
 \end{aligned}$$

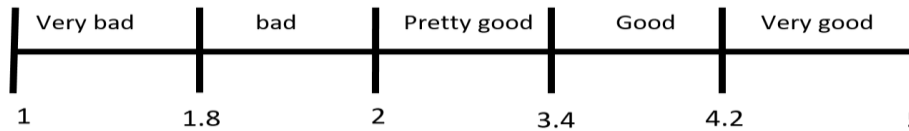
By using these guidelines, writers use five levels of criteria. The following is presented regarding the scoring for the answers to the questionnaire.

Table 3. Scoring for Respondents Answer

Respondents Answer	Positive Respondents Answer	Negative Respondents Answer
Strongly agree (SS)	5	1
Agree (S)	4	2
Simply agree (CS)	3	3
Disagree (TS)	2	4

Strongly disagree (STS)	1	5
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Through those calculations, it can be seen the level of respondent's answer to each question item with regional interpretations as follows:



4. Results and Discussion

4.1 Overview of Respondents

To explain the background of the respondents who were the samples in this research, a table of descriptions of the respondent's profile was created. The descriptions of Respondent profile consist of gender, age, education level, and length of work. The data that the authors obtained regarding the profile of the respondents are as follows:

Table 4. Classification of Respondents based on Gender, Length of Work, and Level of Education

Sex	Frequency	Percentage
Men	76	65,52%
Women	40	34,48%
Length of Work	Frequency	Percentage
< 1 Year	21	18,10%
1-2 Year	25	21,55%
3-4 Year	41	35,34%
> 5 Year	29	25,00%
Education Level	Frequency	Percentage
SMA/SMK	18	15,52%
Diploma	25	21,55%
Strata 1	42	36,21%
Strata 2	24	20,69%
Strata 3	7	6,03%

Source: Processed Data

From the table above, it can be seen that the total number of respondents is 116 people whose dominated by men with the percentage of 65.52%, while for the average length of working for employees' ranges from 3-4 years with a percentage of 35.34%, for education levels are dominated by Strata 1 graduates (S1) 36.21% and Strata 3 (S3) level of education is the lowest by 6.03%.

4.2 Research Hypothesis

Hypothesis is a temporary answer to the formulation of the research problem. It is temporarily, because the answers given are only based on relevant theories, not based on empirical facts obtained through data collection (Sugiyono, 2017). Based on the description in the framework of thought above, the hypothesis that is formed are to be follows:

H1 = Incentives have an effect on employee performance.

H2 = Leadership style affects employee performance.

H3 = Providing incentives and leadership styles have an effect on employee performance.

4.3 Variable Incentives

There are 2 indicators in this giving-incentives variable which are material / financial incentives and non-material / non-financial incentives. The following is the result of data processing which is presented in the form of a table with the frequency distribution and percentage distribution approach.

Table 5. Respondents' Responses Regarding Giving Incentives variable

No.	Indicator	Actual Score	Ideal Score	%	Mean Score	Category
1	Incentives Material/Finance	2416	3480	69,43	3,47	Good
2	Non Incentives Material/Non Finance	3868	5800	66,69	3,33	Pretty good
Total		6284	9280	67,72	3,39	Pretty good

Based on Table 5 shows that the actual total score obtained from all the statements that formed the incentive variable is 6284 and the ideal score is 9280, while the total percentage value obtained is 67.72% and the mean score is 3,39 which is still in the pretty good category. This shows that by giving incentives at the Class I Immigration Office in Bandung is categorized into the fairly good. The quite good category in giving incentives is described using a continuum line, it will look as follows:



Figure 2. Continuum Line of Categorical Variable Assessment of Incentives

4.4 Variable of Leadership Styles

In this study, the writers used 6 indicators of leadership style variables which consisted of indicators of decision-making ability, indicators of motivating abilities, indicators of communication skills, indicators of ability to control subordinates, indicators of responsibility, and indicators of emotional control using a frequency and percentage distribution approach.

Table 6. Respondents' Responses Regarding Indicators on Leadership Style Variable

No.	Indicator	Actual Score	Ideal score	%	Mean Score	Category
1	Decision-making ability	1383	2320	59,61	2,98	Pretty good
2	Motivating Abilities	1373	2320	78,00	2,96	Pretty good
3	Communicating Abilities	1385	2320	59,70	2,98	Pretty good
4	Ability to Control Subordinates	1386	2320	59,74	2,99	Pretty good
5	Responsibility	1768	2320	76,21	3,81	Good
6	Ability to control Emotion	1387	2320	59,78	2,99	Pretty good
Total		8682	13920	62,37	3,12	Pretty good

Based on Table 6, it shows that the actual total score obtained from all the statements that formed the leadership style variable is 8682 and the ideal score is 13920, while the total value

percentage is 62,37% and mean score is 3,12 which is in pretty good categories. This shows that the leadership style shown by the leadership at the Class I Immigration Office in Bandung is in the quite good category. The good enough category on the leadership style variable if it is described using a continuum line, it will appear as follows:



Figure 3. Continuum Line of Assessment of Leadership Style Variables

4.5 Employee Performance Variables

Employee performance variables consist of 6 indicators including work quality, work quantity indicators, timeliness indicators, cost effectiveness indicators, supervisory needs indicators, and interpersonal relationship indicators with a frequency distribution and percentage distribution approach.

Table 7. Respondents' Responses Regarding Employee Performance Variables

No.	Indicator	Actual Score	Ideal Score	%	Mean Score	Category
1	Work Quality	1436	2320	61,90	3,09	Pretty good
2	Work Quantity	1440	2320	62,07	3,10	Pretty good
3	Timeliness	1532	2320	66,03	3,30	Pretty good
4	Cost Effectiveness	1609	2320	69,35	3,47	Good
5	Supervisory Needs	1443	2320	62,20	3,11	Pretty good
6	Interpersonal Relationship	1631	2320	70,30	3,52	Good
Total		9091	13920	65,31	3,27	Pretty good

Based on Table 7, it shows that the actual total score obtained from all the statements that formed the employee performance variable is 9091 and the ideal score is 13920, while the total percentage value obtained is 65.31% and the mean score is 3,27 was still in the pretty good category. This shows that the performance shown by employees at the Class I Immigration Office in Bandung is in the pretty good category.

The category is quite good on employee performance if it is described using a continuum line, it will look as follows:



Figure 4. Continuum Line of Assessment of Employee Performance Variables

4.6 The Effect of Incentives and Leadership Style on Employee Performance

Based on the research results, it shows that the provision of incentives and leadership style has a significant effect on employee performance. Meanwhile, the magnitude of the influence of incentives and leadership style in contributing to the influence of employee performance was 61.7%. The results of this study are supported by the theoretical basis in the previous discussion which states that employee performance is the result produced by certain job

functions or activities at certain jobs during a certain period of time, which shows the quality and quantity of the work (Bernardin & Russel, 2015). One of the factors that can affect employee performance is incentives (Wibowo, 2014). The quantity of the incentives can be affected to the morale of the employees. If employees do not get incentives in accordance with the amount of their sacrifice at work, then these employees are tending to be lazy to work and not enthusiastic, so they will end up working at their own will without high motivation. With the provision of appropriate incentives and good working methods, in the future the organization's work processes can run accordingly to organizational goals (Subianto, 2016). If the employees' needs both material and non-material are met by the company in accordance with employee expectations, then the performance produced by the employee in carrying out the duties and work that has been given to him will be better and resulting in good performance as well.

Incentives can encourage employees to work better by utilizing work elements that are more optimal, because they are driven by the desire to obtain higher incentives (Diviani, 2015). Apart from providing incentives, leadership style is also one of the factors that can affect employee performance. Leadership is a way for a leader to influence the behavior of subordinates, so that they are willing to work together and work productively to achieve organization goals (Hasibuan, 2016). The success of a leader in influencing the behavior of subordinates is largely influenced by the leadership style. An effective leadership style is leadership that is accordingly to the situation and conditions (contingency). Indications of a decrease in enthusiasm and enthusiasm for work are indicated by high levels of absenteeism and employee turnover. It arises as a result of unwelcome leadership. One of the factors that causes job dissatisfaction is the nature of supervisors who do not want to hear complaints and views of workers and are willing to help when needed (Baihaqi, 2010). Leaders who have succeeded in influencing organizational results are leaders who have successfully anticipated change, exploited extraordinary opportunities, motivated their followers to higher levels of productivity, improved poor performance and directed the organization to its goals (Robbins and Judge, 2015). The results of this study are in line with the results of previous studies conducted by Alriani et al. (2017), Yulianti et al. (2016), and Sudarso (2017). The results of his research indicate that incentives and leadership styles have an effect on employee performance.

5. Conclusion

5.1 Conclusion

Based on the results of the research and discussion in the previous chapter, the following conclusions were obtained:

1. The results showed that the provision of incentives affected the performance of employees at the Class I Immigration Office in Bandung.
2. The results show that the leadership style affects the performance of employees at the Class I Immigration Office in Bandung.
3. The results show that the provision of incentives and leadership styles affect the performance of employees at the Class I Immigration Office in Bandung.

5.2 Suggestions

1. For Class I Immigration Office Bandung City
 - a. Increase the provision of incentives by providing bonuses and commissions to employees who excelled, as well as providing opportunities for employees to attend continuing education.

- b. Improve leadership style by asking employees for advice when making decisions and considering wisely the decisions that taken. Motivate employees and support the initiative and creativity of their employees. Always provide a good example for its employees.
- c. Improve employee performance by holding training activities to improve the abilities of employees.

2. For the writers

It is hoped that the next writer will not focus only on the factors in this study, namely the provision of incentives, but can add other factors that may affect employee performance such as work stress, motivation, competence and other factors.

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