



The Effect of Incentives and Work Stress on Employee Performance During the Covid-19 Pandemic in PTPN IV Kebon Tanah Raja

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ABSTRACT

The purpose of this study is to determine the effect of incentives and work stress on employee performance during the COVID-19 pandemic. The present study was carried out in PTPN IV KEBON TANAH RAJA. The sample in this study consisted of 51 employees. Data was collected using a questionnaire in accordance with the indicators of each variable used. The data obtained were then analyzed using multiple linear regression analysis. The results show that incentives and work stress simultaneously have a significant effect on employee performance during the COVID-19 pandemic. The results of the t-test indicate that incentives and job stress have a significant effect on employee performance. The incentive factor has a more dominant effect on employee performance compared to job stress.

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1. Introduction

Indonesia is currently experiencing major problems caused by the spread of the COVID-19 outbreak. This condition has resulted in many institutions, especially the education sector, having to make various efforts to break the chain of transmission of COVID-19. One of the efforts being promoted is by reducing activities outside the home by the recommendation that *Work From Home* remains productive despite working at home to prevent the spread of COVID-19.

An incentive is something that employees receive in exchange for their contribution to the work they do in the company. Wages or salaries are important for everyone, especially for those who work. Every worker has the right to earn a decent income for humanity that can meet the needs of life. Therefore, in order to increase labor productivity, the wages or salaries they receive must be adequate. Prior to the onset of COVID-19, employees were able to receive compensation such as basic salary, health benefits, incentives, bonuses and others which were used to increase their general physical needs. During the COVID-19 pandemic, some of these incentives were not received by employees due to work restrictions.

The COVID-19 pandemic has forced companies to minimize expenses for company operations, so salaries, benefits, and bonuses for employees will be reduced or even eliminated. Some companies make policies for employees to work alternately with wages cut in half. This of course will make employee performance decrease.

In addition to incentives received by employees, employee performance is also influenced by work stress. The existence of the COVID-19 pandemic has reduced employee performance. This is because employees have worries and experience stress for fear of being exposed to COVID-19. The higher work stress can affect the decrease in employee performance, so most employees are not careful in carrying out their work. This is because both are afraid of being exposed to the virus and due to the new procedures implemented by the company in order to continue to work during the COVID-19 pandemic.

Even during the COVID-19 pandemic, the company demands good performance from employees. Performance is a result of work that has been achieved by an employee in carrying out the tasks assigned to him according to skills, experience and sincerity as well as timeliness. Performance is the result of work in terms of quality and quantity achieved by an employee in carrying out tasks in accordance with the responsibilities delegated to him (Mangkunegara, 2017:9).

2. Literature Review

2.1 Incentives

Hasibuan (2016:117) argues that "Incentives are additional remuneration given to certain employees whose achievements are above standard achievements. This incentive is a tool used to support the fair principle in providing compensation". Meanwhile, according to Panggabean (2016: 77), "Incentives are direct rewards paid to employees because their performance exceeds the specified standard. By assuming that money can encourage employees to work even harder, those who are productive prefer their salaries to be paid based on their work."

Mangkunegara (2017: 89) argues that "Incentive is a type of work stress expressed in the form of money on the basis of high performance, and also is a sense of recognition from the organization for the performance and contribution of employees to the organization (company)."

Meanwhile, according to Hasibuan (2016: 184) several methods of calculation or basic considerations for determining incentives, among others, are as follows:

- a. Performance
The incentive system established in this way directly relates the amount of incentives to the performance that has been shown by the employee concerned.
- b. Working Time
The amount of incentives is determined on the basis of the length of time the employee carries out or completes a job.

- c. Seniority
The incentive system in this case is based on the period of service or seniority of the employee concerned in the organization.
- d. Needs
This method shows that incentives for employees are based on the level of urgency of the employees' decent living needs.
- e. Fairness and Worthiness
In the incentive system, it does not have to be equal indiscriminately, but must be related to the relationship between the sacrifice (input) and the output. In addition to the issue of justice, in the provision of these incentives, it is also necessary to pay attention to the issue of feasibility.
- f. Job Evaluation
Job evaluation is an attempt to determine and compare the value of a particular position with the value of other positions in an organization.

2.2 Work Stress

Feelings of anxiety and stress are certainly very natural for most employees when they are in the midst of the current COVID-19 pandemic. Given that the spread of the COVID-19 virus, especially in Indonesia, has shown a very drastic increase, of course, this will cause its own problems that are felt by some employees who are in the room. Due to COVID-19, the work carried out in offices must undergo significant changes, especially the recommendation for restrictions in order to prevent the spread of COVID-19. Thus the work must be carried out with a new transformation, namely working from home.

According to Priyono (2014:1), stress is a subjective experience based on a person's perception of the situation he or she faces. Sunyoto (2012:106) states that stress is a consequence of every action and environmental situation that causes excessive psychological and physical demands on a person. Stress can occur inside or outside the work environment. Stress experienced in the work environment is the stress faced by employees that occurs within the organization or company, for example time pressure, pressure and excessive workload. While stress experienced outside the work environment is stress faced by employees that occurs outside the organization or company but still affects employees, for example problems in the family, marriage, finances, health, and other personal problems. Mangkunegara (2017:157) states that work stress is a feeling of pressure experienced by employees in dealing with work. Meanwhile, according to Robbins (2015: 793), job stress is a condition that arises from the interaction between humans and work, and is characterized by human changes that force them to deviate from their normal functions.

According to Beehr and Newman in Wijono (2018: 145), work stress is a condition that arises in the interaction between individuals and work. The situation in question is where the individual begins to show or feel a burden that is considered burdensome for the individual with several symptoms that indicate that the individual is experiencing work stress.

The dimensions of work stress as stated by Robbins (2015: 47) include:

- a. Workload
- b. Working time
- c. Task characteristics
- d. Co-workers and leaders
- e. Supporting facilities and infrastructure
- f. Work conflict
- g. Career advancement and self-improvement

2.3 Employee Performance

Performance is closely related to the achievement of company goals, because employees are one of the main factors for companies in achieving the goals that have been set. According to Mangkunegara (2017: 9), employee performance is a comparison of the results achieved and the participation of the workforce as a whole. According to Fahmi (2015:2), performance is a description of the level of achievement in the implementation of an activity in realizing the goals, objectives, mission, and vision of the organization contained in the formulation of an organization's strategic scheme (strategic planning). According to Mangkunegara (2017: 9), employee performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities delegated to him. What is meant by quality of work is a measure of how well an employee does what he should do, while quantity of work is a measure of how long an employee can work in one day.

Mangkunegara (2017: 75) suggests that the indicators of employee performance are as follows:

- a. Work Quality
How well an employee does what he or she is supposed to do.
- b. Working Quantity
How long an employee works in one day. This work quantity can be seen from the work speed of each employee.
- c. Task Execution
The extent to which employees are able to carry out their work accurately or without errors.
- d. Responsibility
Awareness of the obligation to carry out work accurately or without errors.

2.4 COVID-19 Pandemic

COVID-19 is an infectious disease that is sweeping the world. The COVID-19 virus has attacked almost all countries in the world so that it can be called a pandemic that has caused major changes to the company's sustainability. This makes it important to keep a distance so as not to be exposed to the virus. Therefore there is a change in carrying out the work process where part of the work is done from home by reducing employees who are present at the office.

The existence of the COVID-19 pandemic makes working from home a must at this time which will make a big difference to the output produced. Some organizations/companies are ready and have even implemented a work-from-home scheme for both part and all employees. Meanwhile, for organizations/companies that are not ready, the implementation of working from home is

quite a hassle at first, although with time the employees are able to adjust little by little. Many organizations/companies are not ready to implement this scheme. However, it turns out that the main obstacle is due to the old culture of distrust of the leadership towards employees. The procedures applied make employees uncomfortable due to requests to report work progress every time along with photos of where the employee is (Mungkasa, 2020: 139).

3. Results and Discussion

3.1 Hypothesis Testing

a. Multiple Regression Test

Data analysis in this study was carried out using multiple linear regression analysis supported by SPSS 22 software for Windows where the summary of the results is as shown in the following table:

Table 1
Summary Results of Multiple Linear Regression

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 25.931 | 4.540 | | 5.711 | .000 |
| | Insentif | .589 | .145 | .452 | 4.057 | .000 |
| | Stres_kerja | -.473 | .134 | -.392 | -3.519 | .001 |

From the table above, a linear regression equation for employee performance can be formulated as follows:

$$Employee\ Performance = 25,931 + 0,589\ Incentive - 0,473\ Work\ Stress$$

Based on this resulting linear regression equation, it appears that:

- 1) The coefficient of X_1 (incentive) is positive with a magnitude of 0.589 which indicates a positive relationship, meaning that if the incentive increases by 1 unit, the employee's performance increases by 0.589 units.
- 2) The coefficient of X_2 (work stress) is negative with a magnitude of -0.473 which indicates a negative relationship, meaning that if work stress decreases by 1 unit, then employee performance increases by 0.473 units.
- 3) The variable incentive (X_1) has a greater effect than the variable work stress (X_2), which means that the incentive is very decisive in improving employee performance. This is indicated by the standardized value of beta for incentive (X_1) > work stress (X_2) > organizational support (X_3), which is $0.452 > 0.3392$.

b. Significance Test (F-test)

The F-test was conducted to test the significance of the effect of incentives, work stress and organizational support simultaneously on employee performance. The summary of the results of the F-test can be seen in Table 2.

Table 2
Summary Results of the F-test

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1 | Regression | 739.108 | 2 | 369.554 | 18.160 | .000 ^a |
| | Residual | 976.814 | 48 | 20.350 | | |
| | Total | 1715.922 | 50 | | | |

The procedures and criteria for accepting or rejecting the hypothesis are as follows:

- 1) Hypothesis:
 $\beta = 0$: There is no significant effect of incentives and work stress on employee performance in PTPN IV Kebon Tanah Raja.
 $\beta \neq 0$: There is a significant effect of incentives and work stress on employee performance in PTPN IV Kebon Tanah Raja.
- 2) With alpha (α) = 0.05 and $df = N - k - 1$, where N = number of subjects and k = number of variables, then from Table F the value of T-table 5%_(2,48) is obtained at 3.19.
- 3) Criteria for accepting or rejecting the hypothesis:
 If $F_{counted} > F_{table}$ then H_0 is rejected or H_1 is accepted, whereas if $F_{counted} \leq F_{table}$ then H_0 is accepted or H_1 (the proposed hypothesis) is rejected.
- 4) Based on the results of data processing with SPSS 22, it is known that $F_{counted} = 18.160 > F_{table} = 3.19$; so H_0 is rejected or H_1 is accepted. This shows that incentives and work stress simultaneously have a significant effect on employee performance, thus the hypothesis is accepted.

c. Hypothesis Partial Test (t-Test)

As a basis for accepting or rejecting the hypothesis, a causal relationship was tested using a t-test. In testing the hypothesis of the effect of independent variables on the dependent variable by comparing the values of t-counted and t-table at a significant level of 0.05 or 5% with degree of freedom (n-k) the value of t-table = 2.005 is obtained.

The summary of the results of the t-test for the variables of incentives and work stress on employee performance can be seen in Table 3.

Table 3
Summary Results of t-test

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 25.931 | 4.540 | | 5.711 | .000 |
| | Insentif | .589 | .145 | .452 | 4.057 | .000 |
| | Stres_kerja | -.473 | .134 | -.392 | -3.519 | .001 |

To determine the significance of the effect of the variable incentive on employee performance, the values of t-counted and t-table were compared. Based on the table above and table F, it turns out that t-counted = 4.057 and t-table = 2.005, which means that t-counted > t-table. So it can be concluded that the variable incentive has a significant positive effect on employee performance.

Similarly, to determine the significance of the effect of the variable work stress on employee performance, the values of t-counted and t-table were compared. Based on the table above and table F, it turns out that for this variable work stress, t-counted = 3.519 and t-table = 2.005, which means that t-counted > t-table. So it can be concluded that the variable work stress has a significant negative effect on employee performance.

Based on this, it can be concluded that the factors of incentives and work stress partially have a significant effect on employee performance in the Office of the Director of PTPN IV Kebon Tanah Raja, and thus the hypothesis is accepted.

d. Coefficient of Determination (R^2)

The value of the coefficient of determination in this study is the value shown in the *adjusted R square* column in Table 4 below. The value of *adjusted R square* is used on the grounds that this value is not susceptible to additional independent variables.

Table 4
Coefficient of Determination

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .656 ^a | .431 | .407 | 4.51113 |

From Table 4 it can be seen that the value of *R square* is 0.431 or 43.10%, namely incentives (X_1) and work stress (X_2) affect 43.10% of employee performance (Y), while the remaining 56.90% is influenced by other variables outside this research model.

3.2 Discussion

a. Effects of Incentives on Employee Performance during the COVID-19 Pandemic

The results of statistical tests show that incentives have a significant positive effect on employee performance. With the COVID-19 crisis, many workers in various companies have experienced layoffs. Meanwhile, in companies that are classified as large, to reduce losses that are quite large, they apply incentive cuts to employees. This will have an impact on the income of each employee every month which will certainly affect their performance.

The decreasing income of each employee due to financial tightening by the company makes employees try to find other sources of income, namely incentives provided by the company. This will have an impact on increasing the work will of employees so that they can get incentives that will increase their income which can be used for daily needs during the COVID-19 pandemic. According to Wibowo (2014), incentives are one of the most important factors in encouraging employees to work better and more efficiently in supporting their performance. By providing incentives to employees, it is expected to be able to make employees continue to work gradually in the company. Incentives are wages other than salaries based on the work of employees, so to get greater incentives employees will work better to achieve the targets set by the company. Providing incentives will increase employee motivation to work harder.

b. Effect of Work Stress on Employee Performance during the COVID-19 Pandemic

The results of statistical tests show that work stress has a significant negative effect on employee performance. At this time of the COVID-19 pandemic, employees are required to keep working even from home. This is because the company's activities must continue to run, so the company must continue to operate even though it is done online. Not a few employees are surprised by this new habit. Even this condition can cause stress and physical fatigue for employees because the work from home scheme is a new thing that employees must face without any preparation beforehand. Then employees must offer solutions to leaders or customers in doing their jobs.

The current situation with the COVID-19 pandemic, of course, will cause stress symptoms that affect the condition of employees. This condition can affect a person's physical, psychological, and behavioral conditions in doing his job where there will be a decrease in performance if the stress is too excessive. In this case, employees must exercise self-control so that the stress that occurs does not harm themselves and their work. The solution that must be given by the company in eliminating work stress that occurs due to the COVID-19 pandemic is to provide assurance to employees that the implementation of work is safe, and to minimize exposure to COVID-19 by vaccination and implementing good health protocols. In addition, the company must also provide security and welfare guarantees to its employees who work well.

4. Conclusion

- a. The results showed that incentives had a significant effect (58.9%) on employee performance during the COVID-19 pandemic.
- b. The results show that work stress has a significant effect on employee performance during the COVID-19 pandemic.
- c. The results showed that incentives and work stress simultaneously had a significant effect on employee performance during the COVID-19 pandemic, which amounted to 43.10%.

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