

The Influence of Competence and Incentives on Employee Performance at Mazda Indonesia

Kurnia Deril Purnama¹, Nazifah Husainah²

^{1,2}Universitas Muhammadiyah Jakarta, Indonesia

Email: purnamaderil70@gmail.com

Abstract

This study aims to analyze the influence of competence and incentives on employee performance at PT Mazda Indonesia. A quantitative research method was employed, involving observation and data collection through the distribution of questionnaires to employees. Data were analyzed using associative hypothesis testing with the aid of SPSS version 23 (Statistical Package for the Social Sciences). Multiple linear regression analysis was utilized to test the hypotheses, and the results indicated that both competence and incentives have a significant effect on employee performance. Statistically, the regression coefficients for both variables demonstrated a positive relationship, implying that improvements in employee competence and incentives lead to enhanced performance. The t-test results showed that the significance value for competence was 0.004 and for incentives was 0.05, confirming that the hypotheses are accepted. The regression analysis further revealed that competence has the most dominant influence in enhancing employee performance. Therefore, it is recommended that the company prioritize employee competence development through training and education, while also providing appropriate incentives to motivate employees toward achieving higher work performance.

Keywords: *Competence, Incentives, Employee Performance, Mazda Indonesia.*



A. INTRODUCTION

The industrial sector has experienced rapid growth over the years, and the globalization era has intensified competitive pressures across various industries, including the automotive sector. In Indonesia, companies are increasingly required to enhance their competitive advantage by improving human resource competencies and capacities. Organizational success is largely determined by employee performance, where job satisfaction and motivation play a crucial role in boosting productivity. According to Mustapa (2021), achieving corporate goals does not solely depend on infrastructure and technology, but also on the quality of human resources responsible for executing organizational tasks.

Employees are the most valuable assets of a company. A high level of employee satisfaction can motivate them to deliver their best contributions to the organization. This underscores the importance of addressing employee needs and development, which plays a critical role in fostering a work environment conducive to productivity (Irawan, 2023). As the official distributor of Mazda vehicles in Indonesia, PT Mazda Indonesia demonstrates its commitment to enhancing the quality of human resources through various development programs, training initiatives, and incentive schemes. Accordingly, improving employee performance has become a top priority in order to maintain competitiveness in the constantly evolving automotive market.

Data indicate that employee performance at PT Mazda Indonesia declined between 2020 and 2022. In 2020, the achievement rate of employee performance targets was 90%, but it dropped to 80% in 2021 and further decreased to 75% in 2022. This downward trend suggests a negative correlation between employee absenteeism and performance achievement. The decline reflects underlying issues related to employee competence and the adequacy of incentives provided. Common problems identified include insufficient competencies and inadequate incentives, which have contributed to rule violations and high absenteeism rates. According to Mangkunegara (2014), employee performance can be influenced by various factors, including the competence level and incentives offered by the organization.

Employee competence encompasses elements of knowledge, skills, and behaviors necessary to perform job duties and responsibilities effectively. Various studies have shown that these competencies play a vital role in enhancing individual performance in the workplace. For instance, several studies have found that competence positively contributes to work motivation, which in turn enhances performance. However, other research has shown that in certain contexts, the effect of competence on performance may be negative or insignificant, depending on other factors such as the work environment. Meanwhile, incentives serve as a form of recognition for employees' efforts and responsibilities (Arwan, 2023). The provision of fair and appropriate incentives can boost employee morale and motivation, whereas a lack of incentives may lead to decreased productivity.

Incentives, both financial and non-financial, serve as additional motivators for employees to meet or exceed their work targets. Research findings indicate that the provision of incentives significantly contributes to improving employee performance. For example, incentives can boost work enthusiasm and encourage employees to innovate in their tasks. Moreover, appropriate incentives can strengthen the relationship between management and employees, fostering a more efficient work environment.

The combination of competence and incentives can lead to a significant improvement in employee performance. When employees possess adequate competence and receive support through attractive incentives, they are generally more motivated to deliver optimal performance. Previous studies have shown that these two factors function simultaneously to enhance performance.

Based on the research problems formulated earlier, the objectives of this study are to examine and analyze the extent to which competence influences employee performance at PT Mazda Indonesia. Furthermore, the study aims to investigate the impact of incentives on employee performance within the same company. In addition, this research seeks to evaluate the combined influence of competence and incentives on the improvement of employee performance at PT Mazda Indonesia. The findings are expected to contribute to the company's human resource development strategies, particularly in enhancing employee effectiveness and organizational productivity.

B. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Employee performance is the result of the interaction between an individual's abilities and motivation in carrying out their tasks. In the context of management, it is essential to understand that individual performance contributes to the overall performance of the organization. According to Mangkunegara (2014), performance is the output of work evaluated based on how well and how much an employee accomplishes the tasks for which they are responsible.

Rivai (2013) also emphasizes that employee performance includes work outcomes evaluated based on the quality and quantity of tasks completed. Mathis and Jackson (2012) explain that performance reflects what employees do or do not do, as well as the extent of their contribution to the organization in terms of output, quality, attendance, and cooperative attitude.

Various elements influencing individual performance include personal abilities, the level of motivation and support received, the type of work performed, and the individual's connection to the organization (Mathis et al., 2013). Meanwhile, Wirawan (2019) classifies the factors affecting performance into three main categories: external factors such as social and economic conditions; individual internal factors, including talent, creativity, knowledge, skills, and work experience; and organizational internal factors, which consist of the company's vision, mission, goals, internal policies, and corporate culture.

Performance indicators can be categorized into several key dimensions. According to Robbins (2010) as cited in Mangkunegara (2014), these dimensions include quality, quantity, responsibility, cooperation, and incentives. Work quality reflects the accuracy and precision of task outcomes, indicating the level of thoroughness in completing assignments; work quantity refers to the amount of output produced; responsibility represents the degree to which employees consciously accept and carry out their duties; while attitude pertains to behavior and the manner in which individuals interact within the work environment.

Competence is a combination of skills, insights, and behaviors required to perform tasks in accordance with organizational expectations (Mustapa, 2021). According to Rahayu (2023), competence reflects an individual's capacity to carry out their work, supported by mastery of relevant skills, knowledge, and appropriate work attitudes. Competence also serves as a fundamental characteristic of an individual that reflects consistent patterns of behavior over time (Poluan, 2023).

Several factors influence employee competence, including individual beliefs and values that can affect workplace behavior; skills that can be learned and improved; practical experience, which plays a crucial role in developing competence; and personality traits that may impact managerial and interpersonal abilities (Rahayu, 2023). Motivation also plays a significant role in shaping competence, as encouragement from supervisors can enhance an individual's drive for personal and professional development.

Competency dimensions are divided into three categories: intellectual competence, which includes analytical thinking abilities; emotional competence,

which relates to emotional self-regulation; and social competence, which encompasses the ability to interact effectively with others in accordance with the cultural values of the organization (Poluan, 2023).

Incentives are defined as compensation granted to high-performing employees as a form of recognition for their contributions (Sarwoto in Larasati, 2018). The primary aim of incentives is to boost employee morale and motivate them to achieve better performance. According to Hasibuan (2018), incentives are additional rewards given to employees whose performance exceeds standard expectations. Incentives function as a driving force that encourages employees to enhance their performance.

Incentives can take various forms. Rivai (2004) identifies several types of incentives, such as annual bonuses based on yearly performance; direct incentives that are not tied to specific formulas or criteria; individual incentives based on personal performance standards; and team incentives that align individual goals with those of the workgroup. The dimensions of incentives include indicators such as achievement of work targets, job satisfaction related to tasks and responsibilities, opportunities for career development, and financial rewards.

Previous studies provide additional insights into the relationship between these variables. For example, research by Sukarta Atmaja indicates that job satisfaction mediates the effect on performance. Wahyono emphasizes that strategies aimed at enhancing competence and providing incentives can significantly improve performance. Another study by Nuraisyiah & Haerani reveals that motivation has a partial influence on performance, while incentives show no significant effect.

Through this literature review, it is evident that both competence and incentives play a significant role in achieving employee performance at Mazda Indonesia. Therefore, the company must formulate an effective human resource development strategy by enhancing employee competencies and providing appropriate incentives to achieve overall organizational goals.

A well-constructed conceptual framework serves to theoretically illustrate the relationships among the variables under investigation. Uma Sekaran (as cited in Sugiyono, 2018) defines a conceptual framework as a theoretical design that describes how a theory interrelates with various aspects identified as contributing factors to the core problem. Based on theoretical elaboration and findings from previous studies, the conceptual framework for this research is developed as follows:

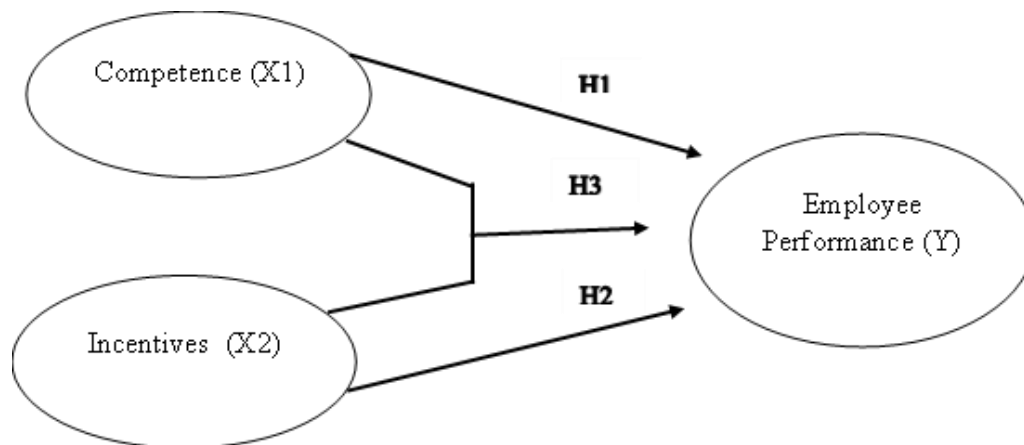


Figure 1. Conceptual Framework

Based on the above explanation, the following hypotheses are proposed as preliminary assumptions in this study:

H₁: Competence have a significant effect on employee performance.

H₂: Incentives have a significant effect on employee performance.

H₃: Competence and incentives jointly have a significant effect on employee performance.

C. METHOD

This study employs a quantitative approach with a focus on descriptive research. According to Sugiyono (2012), descriptive research aims to determine the value of one or more independent variables without making comparisons or examining their relationship with other variables. Descriptive quantitative research involves collecting data from a portion of the population and analyzing it using appropriate statistical techniques. In this study, an associative research approach is used to identify the relationship among three variables. The independent variables are competence (X_1) and incentives (X_2), while the dependent variable is employee performance (Y), which serves as the main outcome of the study.

Data sources refer to any entities that can provide the necessary information for research. In this study, two types of data sources are used: primary data and secondary data. To obtain the required data for this research, the researcher conducted a survey at the site of Mazda Indonesia. The research was conducted to collect the necessary data and information from June 2024 to August 2024.

The population refers to the entire group of elements that share similar characteristics and become the focus of a study, whether individuals within a group, events, or specific objects being examined. The population includes all entities targeted in the research. According to Sugiyono (2018), if all elements within the research area are used as study objects, it is referred to as a population study. Therefore, it can be concluded that the population comprises all elements under investigation, whether individuals or other entities. The population targeted in this study consists of all employees at Mazda Indonesia, totaling 95 individuals.

According to Siyoto & Sodik (2015), a sample is a representation of the population that shares similar characteristics and is selected through specific procedures to represent the entire population accurately. In this study, the probability sampling method with a total sampling approach was employed, meaning that all individuals within the population were included as the sample. Consequently, the sample size in this study is equal to the total population. This study applies a non-probability sampling method using a saturated sampling (census) approach. Sugiyono (2018) explains that saturated sampling is a technique in which all members of the population are included as respondents. The choice of this method is based on the relatively small population size. Therefore, the total number of respondents in this study is 95 individuals.

The data collection procedure refers to the methods used to gather information related to characteristics, conditions, activities, or other relevant aspects. This process is carried out to obtain data that support the achievement of the research objectives, using methods such as observation and questionnaire distribution. The data analysis process in this study was assisted by SPSS version 23 (Statistical Package for the Social Sciences). The type of analysis applied is associative hypothesis testing, using multiple linear regression analysis techniques.

D. RESULT AND DISCUSSION

The t-test is essentially used to assess the magnitude of influence each independent variable has in explaining changes in the dependent variable. In this study, the test was conducted at a significance level of 0.05 ($\alpha = 5\%$)

Table 1. Results of the t-Test (Partial Test)

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15,304	5,705		2,683	,009
	Competence	2,340	,165	,171	2,156	,023
	Incentives	1,325	,184	,599	7,208	,000

a. Dependent Variable: Employee Performance

Source: Processed data, 2024

In the t-test for the Competence variable, the calculated t-value (t_x) was 2.156. Using the formula $n-2$, where $95-2 = 93$, the critical t-table value was 0.201. Since the t-value exceeds the t-table value ($2.156 > 0.201$), and the significance level is 0.023 (which is less than 0.05), the hypothesis is accepted. This indicates that competence plays a role in enhancing employee performance.

In the t-test for the Incentives variable, the calculated t-value was 7.208. Using the same formula ($n-2$), the degrees of freedom were 93 with a t-table value of 0.201. The results show that the t-value is greater than the t-table value ($7.208 > 0.201$), and the significance level is 0.000, which is below 0.05. Therefore, the hypothesis is accepted, indicating that incentives have a positive effect on employee performance.

The F-test is used to assess the joint effect of independent variables on the dependent variable. If the significance value of the F-test is less than 0.05, the hypothesis is accepted, indicating that all independent variables simultaneously have a significant influence on the dependent variable. However, if the F-significance value exceeds 0.05, the hypothesis is rejected, suggesting that the independent variables, when considered together, do not have a meaningful impact on the dependent variable.

Table 2. Results of the F-Test (Simultaneous Test)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2066,959	2	1033,479	26,955	,000 ^b
	Residual	3527,399	92	38,341		
	Total	5594,358	94			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Competence, Incentives

Source: Processed data, 2024

Based on the table above, the results of the ANOVA or F-test indicate a significance value of 0.000, which is below the threshold of 0.05. Therefore, the hypothesis is accepted. This finding suggests that competence and incentives jointly have a significant effect on employee performance.

The coefficient of determination test, also known as the goodness-of-fit test, aims to assess the extent to which the model is able to explain the variance in the dependent variable. The results of the coefficient of determination test are presented in the following table:

Table 3. Results of the Coefficient of Determination Test

Model Summary ^b				
Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,688 ^a	,669	,756	6,192

a. Predictors: (Constant), Competence, Incentives

b. Dependent Variable: Employee Performance

Source: Processed data, 2024

Based on the table above, the coefficient of determination is 0.756 or 75.6%. This indicates that the variables Competence and Incentives collectively explain 75.6% of the variation in Employee Performance. The remaining 24.4% is attributed to other factors that are not included within the scope of this study.

The results of the t-test for the Competence variable show a calculated t-value of 2.156. Using the formula $n-2$ ($95-2 = 93$), the t-table value is 0.201. The test results indicate that the calculated t-value exceeds the t-table value ($2.156 > 0.201$), with a significance level of 0.023, which is less than 0.05. Therefore, the hypothesis is accepted. This suggests that competence has a positive effect on employee performance—higher levels of competence lead to better employee performance.

Competence plays a significant role in influencing employee performance, as individuals with a high level of competence—including knowledge, skills, abilities, and behaviors aligned with their position—tend to demonstrate higher levels of effectiveness, efficiency, and productivity. This is due to their ability to complete tasks optimally, enabled by the competencies they possess.

In efforts to optimize employee performance within an organization or company, competence is one of the key contributing factors. Employees with high levels of competence are generally able to solve problems quickly, demonstrate strong job skills, show innovation and creativity in developing their abilities, and possess a high degree of initiative.

The findings of this study are consistent with those of Nuridin & Faka (2018), Krisnandi & Saputra (2021), and Hartati, Ratnasari, & Susanti (2022), which demonstrate that competence has a significant positive impact on employee performance. However, these results contradict the findings of Lustono and Anisa Desy Hasnaeni (2019), who concluded that competence has no effect on employee performance.

The evaluation results using the t-test for the Incentives variable show a calculated t-value of 7.208, while the t-table value, calculated using the formula $n - 2$ ($95 - 2 = 93$), is 0.201. The test results indicate that the t-value exceeds the t-table value ($7.208 > 0.201$), and the obtained significance level is 0.000, which is below the 0.05 threshold. Therefore, the hypothesis is accepted. This result indicates that the provision of incentives contributes to improving employee performance. In other words, the better the incentives provided, the greater the tendency for employee performance to improve.

According to Riyuzen (2020:4), incentives are linked to a professional relationship, where one of the main motivations for employees to work is to receive compensation as a means to fulfill their needs. From the company's perspective, incentives are provided to encourage employees to be more productive in their work, in alignment with organizational goals and expectations, and to contribute to the advancement of the business. This concept is also supported by Surah Al-Baqarah, verse 281, which states that a person's reward corresponds to the effort they exert

Incentive programs are designed to reward individuals or groups based on their work outcomes. Providing appropriate and fair incentives that reflect the effort and capabilities expended by employees enhances their sense of appreciation for their hard work. This encourages employees to work more professionally, strive for better results, and ultimately improve their performance. Strong performance, in turn, contributes to the advancement of the company

Studies conducted by Azeem (2021), and Qomariyah (2018) support these findings by stating that incentives have an impact on employee performance. The greater or more favorable the incentives provided, the more likely employee performance will improve optimally.

E. CONCLUSION

The results of the t-test for the competence variable show a calculated t-value of 2.156. Since this value is greater than the t-table value ($2.156 > 0.201$) and the significance level is 0.023 (which is less than 0.05), the hypothesis is accepted. This indicates that competence has a positive influence on employee performance at PT Mazda Indonesia. For the incentive variable, the t-test results show a calculated t-value of 7.208, which is higher than the t-table value ($7.208 > 0.201$), with a significance level of 0.000 (< 0.05). Therefore, the hypothesis is accepted, indicating that incentives have a positive effect on employee performance at PT Mazda Indonesia. The results of the ANOVA or F-test show a significance value of 0.000, which is below the critical threshold of 0.05. This confirms that the hypothesis is accepted and that competence and incentives simultaneously have a significant effect on employee performance at PT Mazda Indonesia.

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