

Incentive Effect and Career Development and its Impact on the Job Satisfaction of Employees to Work Performance in Human Resources Development Pt. Fertilizer Sriwijaya Palembang

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Abstract - This study aims to analyze the influence of Incentives and Career Development on Job Satisfaction and Employee Performance. There is also a case study of this research is Human Resource Development PT. PupukSriwijaya Palembang Human Resource Division. The sample of this study amounted to 140 respondents. Secondary data are obtained from various sources such as journals, books and other relevant publications. Analytical technique in research using Structural Equation Modeling (SEM) technique. The results show that incentives have a positive and significant impact on Job Satisfaction. Career Development Affects Job Satisfaction. Incentives affect work performance. Career Development has a significant effect on Job Performance. Job Satisfaction has no significant effect on Job Performance. Incentives have a close and significant relationship with Career Development. Incentives have an indirect effect through Job Satisfaction on Job Performance Career Development has an indirect influence through Job Satisfaction on Job Performance.

Keywords - Job Performance, Job Satisfaction, Incentives, and Career Development.

I. INTRODUCTION

For a company when the incentive payment system is carried out continuously and consistently, it will theoretically affect employee job satisfaction and in turn will affect the work performance of the employee concerned. So in brief the effectiveness of this incentive payment system will depend on

1). The amount of wages calculated based on employees' working days. 2). The calculation of results is done simply so that it is understood by the worker. 3). The wages promised in the pay at the time.

From the initial research that the author did in Division PSDM Pusri these two things are not the authors find, is there

any incentive there. For example, incentive payments to employees are not based on work and are not paid on the spot but wait until the end of the year, this is what makes employee job satisfaction low. This can be seen from, low work discipline; many employees are lost to follow-up (lazy, relaxed in the work) so that job performance is declining.

In another case the author also encountered many employees who occupy positions for many years did not rise at the next level. This shows that career development in this company occurs. Many complaints are occurring among employees and this has certainly led to employee dissatisfaction. So that it will ultimately affect work performance.

Author interesting writer to examine it further in the form of research thesis that the author gave the title "Analysis of Influence Incentives and Career Development on Job Satisfaction and Implications on Employee Performance at the Department of Human Resource Development PT. Pupuk Sriwijaya Palembang Human Resource Division.

II. LITERATURE STUDIES

A. Understanding Incentives

Incentives are among the types of rewards associated with achievement. The higher the achievement the greater the incentive given. It is customary for companies in Asia to set high targets for leaders and if successful they are given an additional few months of salary (Panggabean, 2002, p. 87).

According to Agency Theory in Panggabean (2002 to 87) incentives are used to encourage employees to improve the quality and quantity of their work. The incentives are beneficial for the company and employees. If the incentives received are not linked to work performance but are personal then they will feel that there is injustice and this injustice can affect behavior.

B. Understanding Career Development

Career development is a formally organized approach or activity to enhance employee growth, job satisfaction, knowledge, ability and status so that the organization can ensure that people with appropriate qualifications and experience are available within the organization.

The purpose of the above definition of career planning is a comprehensive planning process of career goals where individuals identify career goals and develop tools to achieve goals

C. Definition of Job Satisfaction

Ivancevich, et al (2006:177) :

"Job satisfaction is an attitude that is owned by someone, as a result of their perception of their work. A person's positive perception of his work, of course, is their positive satisfaction as well. Conversely, if someone has a negative perception of his work, their attitude will be negative too. "

Statt; Smith, et al in Funmilola, et al (2013:510) :

"Job satisfaction is feelings or affective responses to facets of the situation. Job satisfaction can be defined also as the extent to which a worker is content with the rewards he or she gets out of his or her job particularly in terms of intrinsic motivation."

D. Research hypothesis

In this research put forward hypothesis as follows:

1. There is influence of variable Incentive to job satisfaction Employee Department of Human Resource Development PT. PupukSriwijaya Palembang Human Resource Division (h1)
2. There is influence of variable Incentives to Employee Achievement Department of Human Resource Development PT. Pupuk Sriwijaya Palembang Human Resource Division (h2)

3. There is a variable influence of career development on job satisfaction of employees of the Human Resources Development Department of PT. Pupuk Sriwijaya Palembang Human Resource Division (h3)
4. There is a variable influence of career development on Employee Achievement Department of Human Resource Development PT. Pupuk Sriwijaya Palembang Human Resource Division (h4)
5. There is an effect of variable job satisfaction on the work performance of employees of the Human Resources Development Department of PT. Pupuk Sriwijaya Palembang Division of Human Resources (h5)
6. There is a relationship between variables Incentives with career Development Employees Human Resources Development Department PT. Pupuk Sriwijaya Palembang Division of Human Resources (h6)

III. RESEARCH METHODS

A. Types and Data Sources

According to Nawawi (2005: 96-97): "The data used in the study consists of two types, namely quantitative data and qualitative data." The data are as follows:

1. Quantitative data, is a type of data expressed in terms of numbers or quantities with units of measure, which can be calculated systematically. In this study which includes quantitative data is the score of respondents' answers.
2. Qualitative data, is the type of data that is not in the form of numbers, such as organizational structure, job descriptions, and work units.

B. Population

The populations in this study were all Employee Human Resources Development Department PT. Pupuk Sriwijaya Palembang Human Resources Division, which amounted to 140 people.

C. Research Instruments

1. Validity

According to Sugiyono (2008: 3): "The validity test is done by correlating each item score with the total score." A questionnaire is valid if the question on the questionnaire is able to reveal something that will be measured by the questionnaire. Testing the validity of each item is used item analysis, which correlates the score of each item with the total score, which is the sum of each score item. Usually the minimum requirement of a questionnaire to meet validity is if r is at least 0.3.

2. Uji Reliabilitas

Reliability is an index that indicates the extent to which a measuring instrument can be relied upon. Reliability can also be interpreted as the trust, reliability and consistency of an index. According to Sugiyono (2008: 73): "Instruments are said to be reliable if the instrument is used multiple times to measure the same object, and is able to produce the same data." Reliability testing can be done using cronbach's alpha statistical techniques. The instrument is said to be reliable if it has a value of $\alpha > 0.60$. The high reliability is shown by a number called the reliability coefficient, with a range of 0-1. If the reliability coefficient is close to 1 then the more reliable the measuring instrument

3. Analysis Technique

Analisis Structural Equation Modelling (SEM)

The analysis of this research uses the program Structural Equation Modeling (SEM), which is operated through Amos Program. According Gunarto (2013: 15): "Amos is a software developed specifically to handle the problem of Structural Equation Modeling (SEM)."

According to Grace & Pugsek in Ferdinand (2005: 54):

"The method of Structural Equation Modeling (SEM) is a multivariant technique, which can be used to describe the

relationship of linear relationships simultaneously observation variables, which involve latent variables that cannot be measured directly. The SEM method is a strong approach in analyzing complex multivariant relationships. "

In this study using two types of analysis techniques, namely:

- a. Confirmatory factor analysis (confirmatory factor analysis) on the SEM, which is used to confirm among the variable incentives, work discipline and job satisfaction is the most dominant variable to variable performance.
- b. *Regression Weight SEM*, which is used to examine how many the variable incentives, work discipline and job satisfaction variables that affect performance.

Evaluation criteria of goodness-of-fit

According to Hair et al (2006: 748): "Suitability models evaluated through review of the various criteria of goodness-of-fit." The first action is to evaluate whether the data used to meet the assumptions of SEM namely; the sample size, linearity normality, outliers multicollinearity and singularity. After the test the suitability and statistical tests. Some indexes suitability and "cut-off value" was used to test whether a model is accepted or rejected, namely:

- χ^2 - Chi-square statistic

According to Hair et al (2006: 753): "The model we tested is deemed good or satisfactory when the value of χ^2 -Chi-square is low." The smaller the value χ^2 , the better the model, and accepted by the probability of the "cut-off value "at $p > 0.05$ or $p > 0.10$.

- RMSEA (Root Mean Square Error of Approximation)

According to Browne & Cudeck in Ferdinand (2005: 96): "RMSEA is an index used to compensate Chi-square statistics, in a large sample." The RMSEA value shows the value of "goodness-of-fit" that can be expected if the model is

estimated in population. RMSEA values that are small or equal to 0.08 are indices for the acceptance of the model, which shows a "close fit" of the model based on degrees of freedom.

- GFI (Goodness of Fit Index)

According to Hair, et al (2006: 746): "GFI is a non-statistical measure that has a range of values between 0 (poor fit) to 1.0 (perfect fit)." High values in this index indicate a "better fit".

- AGFI (Adjusted Goodness Fit Index)

According to Hulland et al in Ferdinand (2005: 55): "The recommended acceptance rate is when AGFI has a value equal to, or greater than 0.90."

- CMIN/DF

According to Ferdinand (2005: 55): "CMIN / DF is the minimum sample discrepancy function divided by the degree of freedom." CMIN / DF is a Chi-square statistic, χ^2 divided by its DF so-called χ^2 -relative. The χ^2 -relative value of less than 2.0 or 3.0 is an indication of "acceptable fit" between the model and the data.

- TLI (Tucker Lewis Index)

According to Hair, et al (2006: 746): "TLI is an incremental index comparing a model tested against a base line model." The recommended value as a reference to a model is ≥ 0.95 . While the value close to 1 shows "a very good fit".

- CFI (Comparative Fit Index)

According to Ferdinand (2005: 55): "The range of CFI value of 0-1, in which the closer to 1, indicating a high level of fit most a very good fit."

Interpretation and modification of the model

1. Once the model is estimated, residual be small or close to zero, the frequency distribution of the residual covariance must be symmetric. According Tabachink & Fidell in

Ferdinand (2005: 81):

- "The model that both have" standardized Residual Variance "is small. 2:58 Figures are standardized residual value limit allowed, which is interpreted as statistically significant at the 5% level, and showed a substantial prediction error for a pair of indicators. "
- Index feasibility testing the model on research using SEM analysis method is as follows:

Table 1. Model Feasibility Testing Index (Goodness of Fit Index)

Goodness of Fit Index	Cut-of Value
χ^2 -Chi-square	expected to be small
Probability Significancy	$\geq 0:05$
RMSEA	$\geq 0:08$
GFI	≥ 0.90
AGFI	≥ 0.90
CMIN / DF	$\geq 2:00$
TLI	≥ 0.95
CFI	≥ 0.95

Source: Ferdinand (2005: 72-73)

Path diagram to show causality as follows

Outer / Measurement models Inner / Structural models

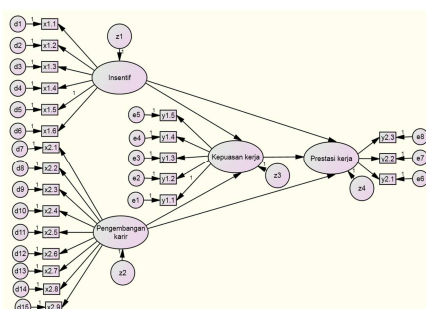


Figure 1: Flow Chart Job Performance Model

SEM analysis consists of two sub-models, the measurement model / models and structural models outer / inner models. "The model shows how variable the manifest or observed variable represents latent variables to be measured.

From Figure 5, the SEM model equations to model the measurement / outer reflective models are written as follows:

$$x = \Lambda x \xi + \delta x \quad (1)$$

$$z = Z z \eta + \varepsilon z \quad (2)$$

Information:

- x and z are indicators for exogenous (ξ) and endogenous (η) latent constructs.
- λx and ζz is a loading matrix that describes a simple regression coefficient, which links the latent variable and its indicator.
- εz and δx are the measurement error residuals.

The model equation of measurement / outer of formative model can be written as follows:

$$\xi = \Pi \xi y + \delta \xi \quad (3)$$

$$\eta = \Pi \eta y + \varepsilon \eta \quad (4)$$

Information:

- (ξ) and (η) are exogenous and endogenous latent constructs.
- Y is a variable or indicative manifestation for exogenous (ξ) and endogenous (η) latent constructs.
- $\Pi \xi$ and $\Pi \eta$ are multiple regression coefficients for latent variables and indicator blocks.
- $\varepsilon \eta$ and $\delta \xi$ are residuals of regression.

The equation of structural model / inner model can be written as follows:

$$\eta = \beta \phi + \beta \eta + \Gamma \xi + \zeta \quad (5)$$

Information :

- η is an endogenous vector construct.
- ξ is an exogenous constructing vector.
- Γ is the coefficient matrix lines.
- ζ is a variable vector residual (unexplained variance).
- β is an endogenous variable path coefficient (η) with exogenous variables (ξ).

Equation causality (causal chain system) between the

latent variables exogenous to any endogenous latent variables can be specified as follows:

$$\eta_i = \sum \beta_{ji} \eta_j + \sum \gamma_{jb} \xi_b + \zeta_j \quad (6)$$

Information:

- β_{ji} and γ_{jb} is an endogenous variable path coefficient (η) with exogenous variables (ξ).
- i and b is the range indices.
- ζ_j is linear residual variable.

Weight equation Relations / Regression Weight used to analyze how much influence between variables can be written as follows:

$$\xi_b = \sum \omega_{kb} \eta_k \quad (7)$$

$$\eta_i = \sum \omega_{ki} \xi_k \quad (8)$$

Information:

- ω_{kb} and ω_{ki} is k weight to estimate the latent variables (η_i) and (ξ_b).
- i and b is the range indices.
- ζ_j is linear residual variable.

Analysis of Structural Equation Modeling (SEM) sfull models

The results of data processing for the full model SEM analysis shown in Figure 4.5.

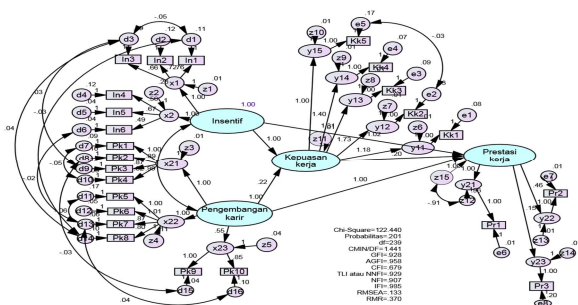


Figure 2. Full Model Fit SEM

Based on Figure 2 above it can be concluded that overall the Fit Model Full Model is received. The resulting match rate the majority are in accordance with the criteria of Goodness of Fit, so the model is formed is sufficient to meet the feasibility of a research model. Indeed some do not meet the criteria, but

it is approaching the limit values set.

In detail, the Goodness of Fit value generated by the model is illustrated in Table 4.11 below:

Table 2. Results of Testing Feasibility Model

Goodness-of-Fit Index	Cut-off Value	Results GoF	Information
X^2 - Chi Square	expected to be small	122 440	fit
Probability Significance	≥ 0.05	0.021	fit
RMSEA	≤ 0.8	0.133	fit
GFI	≥ 0.90	0.928	fit
AGFI	≥ 0.90	0.958	fit
CMIN / DF	≤ 2.00	1,441	fit
TLI	≥ 0.95	0,929	fit
CFI	≥ 0.95	0.679	fit

Source: Amos Test Results (2017)

Based on Table 2 Chi-squared values obtained amounted to 122 440 with a p-value of 0.021. Due to the resulting p-value is greater than $\alpha = 5\%$, then the model is said to be fit. GFI fit index, AGFI, TLI and CFI value generated each only 0.928; 0.958; 0.929 and 0.679. Due to GFI and TLI is greater than 0.90, it indicates that the model fit. Value CMIN / DF obtained at 1,441, the value of <2.00 and indicates that the model fit and the resulting value of RMSEA is 0.162. Due to this value is less than 0.8 then the model is said to be fit.

The results from testing of the entire wild-research hypothesis are as follows:

1) Hypothesis 1 (H_1)

Table 4:14 shows that the t-Value or Critical Ratio (CR) of 2,235 > 1,967 or 0.021 P value <0.05 then H_1 received, so it can be concluded that the incentive effect on job satisfaction.

2) Hypothesis 2 (H_2)

Table 4:14 shows that the t-Value or 0.2651 > 1967 or 0.026 P value <0.05 then H_2 received, so it can be concluded that the Career Development has no effect on job satisfaction.

3) Hypothesis 3 (H₃)

Table 4:14 shows that the t-Value or Critical Ratio (CR) 3659 > 1967 or 0006 P values > 0.05, then H₃ received, so it can be concluded that the incentive effect on Job Performance.

4) Hypothesis 4 (H₄)

Table 4:14 shows that the t-Value or Critical Ratio (CR) of 0.113 < 1967 or 0735 P values of > 0.05, then H₄ is rejected, so it can be concluded that the effect of Career Development, on Job Performance.

5) Hypothesis 5 (H₅)

Table 4:14 shows that the t-Value or Critical Ratio (CR) of 2,128 > 1,967 or a P value of 0.033 < 0.05, then H₅ received, so it can be concluded that job satisfaction effect on Job Performance.

6) Hypothesis 6 (H₆)

Based on Figure 4.8 it can be seen that the value of the calculation of the indirect effect *Incentive* to *Work performance* through *Job satisfaction*, T values obtained for Hypothesis 1 for 2,235 x 2.128 = 4.756 and t value Hypothesis 3 for 3,659 x 2.128. The results of the second calculation of the hipotesiss $t > 1.96$, so the hypothesis is accepted.

7) Hypothesis 7 (H₇)

Based on Figure 4.8 it can be seen that the value of the calculation of the indirect effect *Career development* to *Work performance* through *Job satisfaction*, T values obtained for Hypothesis 2 for 2651 x 2.128 = 5.641 and t value Hypothesis 4 for 0117 x 2.128, Hypothesis 5 2,128 x 2.128 = 4.528. The results of the second calculation of the hipotesiss $t > 1.96$, so the hypothesis is accepted

IV. CONCLUSIONS AND SUGGESTION

A. Conclusion

Based on the analysis and discussion, the conclusion is:

1. *Incentive* positive and significant impact on job satisfaction. It shows that the indicator forming Incentives can help employees build good character.
2. *Career development* effect on job satisfaction. It shows that the indicators forming the Career Development is able to support the creation of job satisfaction.
3. *Incentive* effect on Job Performance. This means that the indicator can lead to greater incentives Job Performance.
4. *Career development* significant effect on Job Performance. It shows indicators support an extended Career Development Job Performance.
5. *Job satisfaction* is not significant effect on consumers Job Performance. This indicates that the value is held to encourage the Job Satisfaction Job Performance
6. *Incentive* Having a strong and significant relationship with Career Development. This suggests that incentives do to encourage the improvement of Career Development Companies
7. *Incentive* have indirect influence through Job Satisfaction on Job Performance
8. *Career development* have indirect influence through Job Satisfaction on Job Performance

B. Suggestion

Based on these results it is given some suggestions to supplement the results of this study are as follows:

1. Department of Human Resources Development PT. Pupuk Sriwijaya Palembang Human Resources Division advised to pay more attention to the provision of incentives mainly on indicator Recipients incentives clearly known and clear to every employee, employees receiving incentive regularly and on time. that scored the lowest average. Related to this is to do is to impose discipline in working time.
2. Department of Human Resources Development PT. Pupuk Sriwijaya Palembang Human Resources

Divisions should conduct an evaluation of Career Development that had been implemented. Given the Career Development conducted proved influential and significant impact on job satisfaction. Career development is less contributed to the company and employees, should be abolished. Department of Human Resources Development PT. Pupuk Sriwijaya Palembang Human Resources Division can focus more on career development activities that have a dominant influence, such as; Structured career development program the company that makes the employees get the level of clarity about the future of his career.

3. Future studies are expected to be able to use different research objects to the scope of the wider population and more samples in order to deliver better results.

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