THE INFLUENCE OF WORK DISCIPLINE AND INCENTIVES ON EMPLOYEE PERFORMANCE AT PT. ENERGI CIPTA UTAMA

Islan Adi Stadiyanto1*, Zunaidah2, Marlina Widiyanti3, Agustina Hanafi4

1Student of Master Management, Universitas Sriwijaya, Palembang, Indonesia
2,3,4Lecturer of Master Management, Universitas Sriwijaya, Palembang, Indonesia

Email : 1islanadis@gmail.com, 2zunaidah@unsri.ac.id, 3marlinawidiyanti@fe.unsri.ac.id, 4agustinahanafi@fe.unsri.ac.id

ABSTRACT
This research was conducted with the aim of determining the influence of work discipline and incentives on employee performance at PT Energi Cipta Utama. The population in this study is all employees at PT Energi Cipta Utama consisting of supervisors, finance, admin, cashiers, operators and cleaning services at PT Energi Cipta Utama. In 2022, there will be 100 employees and all of them will be sampled using the census method in determining the sample. The results of multiple linear regression analysis show that work discipline and incentives have a positive and significant effect on employee performance. Work discipline at PT Energi Cipta Utama can be said to be good. This requires providing repeated and clear information to all employees, especially new employees regarding regulations and sanctions if they violate the regulations that have been implemented. Incentives, there needs to be an increase and evaluation of goods and supporting facilities that need to be renewed or added units so that employee work is not hampered.

Keywords: Work Discipline, Incentives, Employee Performance

INTRODUCTION
PT Energi Cipta Utama (ECU) is a company that operates in the field of trading fuel oil for the general public in Palembang City and Banyuasin Regency. PT ECU manages Public Fuel Filling Stations (SPBU) in Palembang City and Banyuasin Regency where these gas stations serve the general public's need for fuel produced by PT Pertamina (Persero) with the types Premium, Pentalite, Pertamax, Pertamax Turbo, Solar, Dexlite, and Dex. PT Energi Cipta Utama was established based on the Deed of Establishment No. 13 dated 08 June 2012 before Notary Irwin Perison, S.H., M. Kn., in Palembang. This deed has been ratified by the Minister of Law and Human Rights based on SK No. AHU-33531.AH.01.01 of 2012 dated 19 June 2012. With the latest amendment to the Articles of Association with Deed of Amendment No. 007 Dated 13 August 2019, Notary Krisnadi, S.H., M. Kn., in Palembang, and ratified based on the Decree of the Minister of Law and Human Rights No. AHU-0063041.01.02 of 2019 dated 02 September 2019.

As a business organization, PT Energi Cipta Utama has the ultimate goal of obtaining optimal profits by maximizing revenue and cost efficiency. To measure the company's performance, PT Energi Cipta Utama sets a profit target that must be achieved at the end of the year. For 2020, the profit was IDR. 14.28 billion compared to the profit target of IDR. 15.00 billion or achieved 95.23%. In 2021, the profit will be IDR 14.98 billion, while the target set is IDR 16.50 billion or
target achievement of 90.78%. Meanwhile, in 2022 the profit will be IDR 17.28 billion compared to the target of IDR 19.50 billion or 88.63% achieved. The realization of PT Energi Cipta Utama's financial performance is as follows:

**Table 1. Financial Performance of PT Energi Cipta Utama**

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit / Target</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>95.23%</td>
<td>Good</td>
</tr>
<tr>
<td>2021</td>
<td>90.78%</td>
<td>Fairly Good</td>
</tr>
<tr>
<td>2022</td>
<td>88.63%</td>
<td>Fairly Good</td>
</tr>
</tbody>
</table>

Data Source: PT Energi Cipta Utama financial reports for 2020, 2021, 2022

PT. Energi Cipta Utama management sets performance measurement criteria as follows:
- Net profit / Target < 80% is categorized as low.
- 80% < Net profit / Target < 95% is categorized as Fairly Good.
- 95% < Net profit / Target < 105% is categorized as good.
- 105% < Net profit / Target is categorized as very good.

In carrying out its business operations, PT Energi Cipta Utama has a total of 40 employees at gas station 24.307.128 (Betung city) and 60 people at gas station 24.301.111 (Palembang city). Currently PT Energi Cipta Utama has a total of 100 employees in the positions of cashier, personnel, supervisor, operator, demolition and cleaning service. The company's performance in achieving its goals depends on the performance of its employees. Managers assess employee performance every year to determine the amount of financial incentives the employee will receive. The assessment criteria by managers for employees are based on several criteria, including: discipline value, service value, target achievement value, effectiveness value, and independence value which are then accumulated into a score with the following assessment range:
- Very good, if the value is > 90
- Good, if 75 < value < 90
- Fairly good, if 60 < value < 75
- Low, if value < 60

**Table 2. PT Energi Cipta Utama Employee Performance in 2022**

<table>
<thead>
<tr>
<th>Number of Employee</th>
<th>Performance Criteria</th>
<th>Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Very Good</td>
<td>High</td>
</tr>
<tr>
<td>30</td>
<td>Good</td>
<td>Standard</td>
</tr>
<tr>
<td>57</td>
<td>Fairly Good</td>
<td>Low</td>
</tr>
</tbody>
</table>

Data source: PT ECU Employee Assessment Report 2022

The performance of PT Energi Cipta Utama employees for the 2022 period is dominated by 87 people or 87% who perform well and Fairly good, while only 13 people or 13% who have very good performance based on the performance criteria set by the company including:

1) The value of discipline / punctuality
2) Service value / quality
3) Value of target achievement / quantity
4) Assess effectiveness
5) Value of independence

There are 57% of employees whose performance is below standard (fairly good), this is due to the company manager's assessment of their discipline as low. Apart from that, there are also other factors such as sanctions given by the Company, assessment of service to customers, achievement of targets, and compliance with Company regulations.

PT Energi Cipta Utama provides incentives to employees as part of the company's efforts to reward its employees' performance. The incentives provided are in the form of financial incentives, including: basic salary, overtime allowance, holiday allowance, annual performance bonus. Apart from that, the Company also provides non-financial incentives in the form of, among others: best employee awards, job promotions, family gatherings and entertainment. Attractive incentives will motivate employees to provide the best performance for the company, namely only 13% of total employees have a very good performance rating.

The phenomenon that occurs at PT Energi Cipta Utama is that the level of discipline is still low, where there are still employees who after break time are still seen taking advantage of their break time, there are still employees who are late coming in and going home, which causes their performance evaluation to be low. Therefore, issues such as work discipline are something that companies need to pay attention to. This lack of leadership attention to providing incentives to employees can be seen from the lack of employee enthusiasm in carrying out their duties and responsibilities so that employee performance decreases. Problems related to work discipline are the frequent lateness of employees entering the office, which indicates that employees have not complied with the regulations set by the company. Employee performance will determine company performance, so that if the accumulated employee performance is low it will result in low company performance.

**Literature Review**

**Employee performance**
Performance is a result achieved by employees in their work according to certain criteria that apply to a job (Robbins et al., 2019).

**Work Discipline**
Work discipline is an attitude and behavior that is carried out voluntarily with full awareness and willingness to follow the rules set by the company or superior, both written and unwritten.

**Incentive**
Incentives are rewards paid to workers whose production exceeds the standards previously set by the company (Dessler, 2020).

**RESEARCH METHODS**
This research is an empirical study which aims to examine the influence of work discipline and incentives on the performance of PT Energi Cipta Utama employees. The approach in this research uses quantitative methods collected through distributing questionnaires. Based on data with a population of 100 people, this research is a type of research with a sample determination method with the help of a questionnaire.

The population in this study is all employees at PT Energi consisting of supervisors, finance, admin, cashiers, operators and cleaning services at PT Cipta Utama in 2022, totaling 100 employees. So the sample in this research is the total sample or all members of the population.
RESULTS AND DISCUSSION

A constant value of 0.703 indicates that the employee's performance is 0.703. If the work discipline (X1) and incentive (X2) variables are 0 (zero).

The regression coefficient value for the work discipline variable of 0.357 means that if the work discipline provided will further improve employee performance at PT Energi Cipta Utama. With this value and the regression coefficient value of 0.357, this shows that there is a positive influence between work discipline on employee performance at PT Energi Cipta Utama.

The incentive variable regression coefficient value of 0.525 means that if the incentives given will further improve employee performance at PT Energi Cipta Utama. With this value and the regression coefficient value of 0.357, this shows that there is a positive influence between incentives on employee performance at PT Energi Cipta Utama.

The Influence of Work Discipline on Employee Performance at PT Energi Cipta Utama

The analysis results obtained in this research show that work discipline has a positive and significant effect on employee performance so that the first hypothesis can be accepted. The results of this research are in line with the results of research from (Merchant et al., 2023); (Firman et al., 2023); (Moningkey et al., 2022); (Yanti et al., 2022); (Sopandi, 2022); (Alfiyani et al., 2022); (Hendra et al., 2022); (Paramananda et al., 2021); (Rony, 2021); (Ferriz-Valero et al., 2020); (Fitria et al., 2019); (Torlak et al., 2019); (Rozi et al., 2019); (Sumarsid, 2019) which shows that work discipline has a positive and significant effect on employee performance.

Based on respondents' responses to the indicator that this employee has ever arrived late and received a warning, the lowest value is 3.79. It is suspected that employees at PT Energi Cipta Utama came to the office on time in accordance with applicable regulations. Based on employee attendance data checked during the 2023 period, it shows that employees at PT Energi Cipta Utama show that employees are absent according to their work schedule. So the indicator that this employee always comes to the office according to work hours shows the highest score of 4.09. This shows that PT Energi Cipta Utama employees always come to the office according to the work hours imposed by the company.

The Effect of Work Incentives on Employee Performance at PT Energi Cipta Utama

The analysis results obtained in this research show that incentives have a positive and significant effect on employee performance so that the second hypothesis can be accepted. The results of this research are in line with the results of research from (Irawati et al., 2023); (Yuwono, 2023); (Zhang et al., 2023); (Bonner et al., 2022); (Yanti, 2022); (Anindika, 2022); (Alfiyani, 2022); (Hendra, 2022); (Aprilya et al., n.d.); (Paramananda, 2021); (Rony, 2021); (George, 2020); (Meslec et al., 2020); (Rozi, 2019); (Sumarsid, 2019) shows the results that incentives have a positive and significant effect on employee performance.

Based on respondents' responses to the indicator that the facilities provided are complete and adequate, it shows the lowest value, namely 3.78. It is suspected that the facilities provided by PT Energi Cipta Utama still do not fully meet the needs of its employees. Based on direct interviews with several employees, employees said that there were several supporting facilities that were missing, such as comfortable rest areas, as well as the availability of a canteen and lockers for storing goods. The lack of existing facilities will hinder employee performance in carrying out their work. Apart from that, the condition of computers that are outdated and limited in number
and communication/internet networks that sometimes experience problems are obstacles for employees in reporting their work.

The indicator that the company provides commissions according to the targets I have achieved shows the highest value, namely 4.30. This shows that the company gives commissions according to achievements and the commissions are given fairly and transparently. This commission is given clearly and fairly so that employees can know and get a commission based on the performance results given. Providing this commission greatly influences the performance produced by employees. Based on interviews with several respondents in the field who are employees at PT Energi Cipta Utama, they said that giving this commission will encourage employees to provide work results that are in line with the company's expectations. Employees will be enthusiastic and give their best performance because apart from the salary they receive, employees also get other income outside their salary.

CONCLUSION

Based on the results of the research and analysis of the research that has been carried out, the following conclusions can be drawn: Work discipline has a positive and significant effect on employee performance at PT Energi Cipta Utama. Incentives have a positive and significant effect on employee performance at PT Energi Cipta Utama. Based on the results of the analysis and discussion carried out in this research, the following suggestions can be made: Work discipline at PT Energi Cipta Utama can be said to be good but still needs to be improved. This requires providing repeated and clear information to all employees, especially new employees regarding regulations and sanctions if they violate regulations that have been implemented. A system for preparing work schedules that has been adjusted and fair means that employees will be more obedient to the schedule that has been given. Incentives, providing good incentives makes employees also motivated to provide work results that are in line with the company's targets and expectations. There needs to be an increase and evaluation of goods and supporting facilities that need to be updated or added to units so that employee work is not hampered.

BIBLIOGRAPHY

Aprilya, C. M., & Muttaqien, Z. (n.d.). PENGARUH GAYA KEPEMIMPINAN, MOTIVASI, INSENTIF TERHADAP KINERJA KARYAWAN PT. BFI FINANCE KOTA KEDIRI.
The Influence of Work Discipline and Incentives on Employee Performance at PT. Energi Cipta Utama

KABUPATEN KEPULAUAN SELAYAR. Cendekia Akademika Indonesia (CAI), 2(1), 15–27.


Copyright holder:
Islan Adi Stadiyanto, Zunaidah, Marlina Widiyanti, Agustina Hanafi (2024)

First publication rights:
Syntax Transformation Journal

This article is licensed under: