



Analysis of Incentive Factors, Performance Assessment, and Work Ethic on the Productivity of East Aceh Social Service Employees

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Abstract

This study aims to analyze the influence of incentives, performance assessments, and work ethic on the productivity of employees of the East Aceh Social Service. This study uses a quantitative method with a survey approach, involving 42 employees as a sample. Data were collected through questionnaires and analyzed using multiple linear regression to test the relationship between independent variables (incentives, performance appraisals, work ethic) and dependent variables (productivity). The results of the study show that the three independent variables have a significant effect on employee productivity. Work ethic had the greatest influence on productivity with a regression coefficient of 0.485, followed by performance appraisal (0.400) and incentives (0.312). The F test shows that incentives, performance appraisals, and work ethic simultaneously have a significant effect on employee productivity. The value of the determination coefficient (R^2) of 0.652 indicates that 65.2% of the variation in productivity can be explained by these three variables. The results of this study emphasize the importance of fair incentives, objective performance assessments, and the development of a high work ethic in increasing employee productivity in the public sector. This study also recommends improving human resource management to support more optimal productivity.

Keywords: Incentives; Performance Assessment; Work Ethic; Productivity; Employees; Public Sector.

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INTRODUCTION

Employee work productivity is one of the key factors in achieving the success of an organization, both in the private and public sectors (Handayani, 2010). In government organizations, such as the Social Service, employee productivity has a significant impact on community services. Along with the increasingly complex challenges faced by government agencies in providing optimal public services, human resource management has become increasingly crucial. Employee productivity is influenced by various variables, including incentives, performance assessments, and work ethic.

The incentive system in an organization functions as an external motivation for employees to work more effectively and efficiently. Various studies have shown that incentives given appropriately and fairly can encourage employee work productivity (Kadarisman, 2012). In the context of the East Aceh Social Service, incentives play an important role in motivating employees to carry out social service tasks that often require more effort, both physically and emotionally. However, the challenge faced is how to design an incentive system that is not only attractive but also fair and sustainable.

In addition to incentives, performance appraisal is another important factor that can affect employee productivity (Iskandar & Yuhansyah, 2018). Objective, transparent, and performance-oriented performance appraisals provide an incentive for employees to continuously improve the quality and quantity of their work (Rismawati & Mattalata, 2018). In the East Aceh Social Service, the performance assessment process is crucial considering that employees working in this field are often faced with challenging and dynamic work situations. A good performance assessment will provide constructive feedback and serve as the basis for decision-making related to promotion, training, and incentives (Maharani, 2024).

Work ethic, as an internal factor, also plays a significant role in driving productivity (Barrung et al., 2021). Employees with a strong work ethic tend to have high dedication, discipline, and responsibility in carrying out their duties. In public institutions such as the Social Service, work ethic is very important because the work done has a direct impact on the welfare of the community. Employees who have a high work ethic will be able to provide optimal service, even though they are often faced with limited resources and sub-ideal field situations (Sutrisno, 2009).

The combination of the right incentives, objective performance assessments, and a strong work ethic is expected to encourage the productivity of East Aceh Social Service employees. However, the relationship between these three factors and employee productivity is not always linear. Sometimes, even though incentives and performance appraisals have been implemented well, productivity can still be hampered by external factors such as regulations, resources, and organizational culture (Rismawati & Mattalata, 2018).

In the context of the East Aceh Social Service, employee productivity is not only seen from the number of work outputs produced but also from the quality of services provided to the community. Given that Social Service has a very important task in handling social problems, such as poverty, disability, and social rehabilitation, the productivity of employees must be measured holistically by paying attention to the impact of their performance on the communities served (Anggraini et al., n.d.; Sidabutar et al., 2023; Tumangger et al., n.d.).

One of the main challenges in increasing the productivity of Social Service employees is the limitation of budget and resources which often limit the organization's movement space. In this situation, it is difficult to provide adequate incentives to realize. Therefore, a more creative approach is needed in designing incentive systems that do not always depend on the provision of financial benefits, but also on non-material aspects such as recognition and awards (Anastacia et al., 2021; Dea et al., 2022; Sidabutar et al., 2023).

This study focuses on analyzing the relationship between incentives, performance appraisals, and work ethic on the productivity of employees of the East Aceh Social Service. Through this approach, it is hoped that certain patterns can be found that can be used as a basis in the formulation of policies to increase employee productivity in the public sector, especially in the Social Service.

In addition, this study also seeks to explore other factors that may also affect employee productivity, such as organizational culture, leadership, and work environment conditions. Thus,

the results of this study are expected to make a significant contribution to efforts to improve human resource management in the government environment, especially in the East Aceh Social Service.

Ultimately, increasing employee productivity is not only a management responsibility, but also requires the active participation of the employees themselves. Therefore, this study also focuses on how employees view incentives, performance appraisals, and work ethic in the framework of increasing their productivity (Asputri et al., 2023; Julia et al., 2024).

Against this background, this study is expected to be able to provide a more comprehensive overview of the factors that affect the productivity of East Aceh Social Service employees, as well as provide policy recommendations that can be implemented to improve the overall performance of the organization.

RESEARCH METHODS

This study uses a quantitative approach with a survey design (Priadana & Sunarsi, 2021). This design was chosen because it allows researchers to measure the variables that affect the productivity of East Aceh Social Service employees, namely incentives, performance assessments, and work ethic. A quantitative approach is used to objectively analyze the relationship and influence between these variables based on data obtained from respondents.

The population in this study is all employees of the East Aceh Social Service totaling 100 people. However, due to time and resource limitations, this study used a sample of 42 employees. The determination of the number of samples is carried out using the purposive sampling technique, where samples are selected based on certain criteria that are relevant to the research objectives. The sample selection criteria are as follows:

- Employees who have worked at the East Aceh Social Service for at least 2 years.
- Employees who are directly involved in service to the community.
- Employees who have a permanent status or already have stable work experience.

With this technique, it is hoped that the selected sample can accurately represent the population in the context of this study.

Data collection was carried out through the questionnaire method. This questionnaire consists of several sections containing closed questions on a Likert scale of 1–5, in which respondents are asked to respond to statements related to incentives, performance appraisals, work ethic, and productivity. The Likert Scale is used to facilitate the quantification of data from respondents' responses (Jogiyanto Hartono, 2018).

The questionnaire consists of four main sections:

- Part A: Demographic questions, including age, gender, education, and length of employment.
- Part B: Questions about incentives, including the forms of financial and non-financial incentives that respondents receive.
- Section C: Questions related to performance appraisals, including the frequency, openness, and objectivity of the performance appraisal process.
- Part D: Questions related to work ethic, including discipline, responsibility, and work motivation.
- Part E: Questions related to productivity, including the quantity and quality of work produced and the contribution of employees to the achievement of organizational goals.

The questionnaire will be distributed directly to employees of the East Aceh Social Service who are selected as samples. In addition, to maximize the return of the questionnaire, follow-up will be carried out directly to the respondents through coordination with the management of the East Aceh Social Service.

Variable Operational Definition:

- Incentives: Incentives are any form of reward given by an organization to employees, both in the form of financial (salary, bonuses, allowances) and non-financial (awards, training, promotional opportunities). Incentives are measured through employee perceptions of fairness, adequacy, and frequency of incentives.

- **Performance Appraisal:** Performance appraisal is the process of evaluating the achievement of employee work based on predetermined standards. Performance assessment is measured through the frequency of assessment, information disclosure, and objectivity of the assessment process.
- **Work Ethic:** Work ethic is a mental attitude that reflects the dedication, responsibility, and discipline of employees in carrying out their duties. Work ethic is measured through indicators such as attendance, punctuality, responsibility, and motivation.
- **Productivity:** Productivity is the result or output that employees achieve in carrying out their duties. Productivity is measured through the quantity of work, the quality of work output, and the efficiency of time and resources used.

The data obtained from the questionnaire will be analyzed quantitatively using statistical methods (Retnawati, 2017). The steps of data analysis are as follows:

- **Editing and Coding:** Once the questionnaire is collected, the data will be edited to ensure completeness and consistency of answers. Then, a coding process is carried out to facilitate statistical data processing.
- **Validity and Reliability Test:** Before the main analysis, the data from the questionnaire will be tested for validity and reliability. Validity tests are used to ensure that the research instrument is able to measure what is supposed to be measured, while reliability tests are used to determine the consistency of measurement results.
- **Descriptive Analysis:** The data that has been collected will be analyzed descriptively to describe the characteristics of the respondents, as well as provide an overview of the variables studied (incentives, performance assessments, work ethic, and productivity).
- **Classical Assumption Test:** Regression analysis requires the fulfillment of several classical assumptions, such as normality tests, multicollinearity tests, and heteroscedasticity tests. This test was carried out to ensure that the regression model used met these assumptions and was suitable for prediction.
- **Multiple Linear Regression Analysis:** To determine the influence of incentives, performance assessments, and work ethic on employee productivity, multiple linear regression analysis is used. The regression equations used in this study are:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Information:

Y = Employee productivity

X1 = Incentives

X2 = Performance appraisal

X3 = Work ethic

β_0 = Constant

$\beta_1, \beta_2, \beta_3$ = Regression coefficient for each independent variable

e = Error term

Hypothesis Test: After the regression analysis is carried out, a hypothesis test is carried out to find out whether the independent variables (incentives, performance assessments, work ethic) have a significant effect on the dependent variables (productivity). The F test was carried out to test the simultaneous influence of the three independent variables, while the t test was carried out to test the partial influence of each independent variable.

Coefficient of Determination (R^2): To find out how much independent variables are able to explain dependent variables, the coefficient of determination (R^2) is used. The greater the R^2 value, the better the model will be at explaining the variation in employee productivity.

RESULTS AND DISCUSSION

Respondent Description

The respondents in this study were 42 employees of the East Aceh Social Service who were selected based on the purposive sampling technique. Respondents' demographic data are described as follows:

- Gender: Of the 42 respondents, 25 people (59.5%) were male and 17 people (40.5%) were female.
- Age: Most respondents were between the ages of 31–40 (40%), followed by respondents aged 41–50 (35%). The remaining 25% of respondents are over 50 years old.
- Education: 60% of the respondents had a final S1 education, while the remaining 40% had a D3 education or lower.
- Length of Service: As many as 50% of respondents have worked in the East Aceh Social Service for 5–10 years, while 35% have worked for more than 10 years, and the rest (15%) have worked between 2–5 years.

This description gives an idea that the respondents are employees with long work experience, with educational backgrounds that are in accordance with public service tasks.

1. Validity and Reliability Test

Before conducting further analysis, the research instrument was tested for validity and reliability. The results of the validity test showed that all question items had a correlation value greater than 0.30, so they were declared valid. The reliability test using Cronbach's Alpha coefficient showed a reliability value of 0.85, which means that the instrument used was consistent and reliable to measure the variables in this study.

2. Descriptive Analysis of Research Variables

The following are the results of the descriptive analysis for each of the research variables:

- Incentives: Most respondents feel that the incentives received, both financial and non-financial, are adequate. The average value of the Likert scale for the incentive variable was 3.8, which indicates that employees are quite satisfied with the incentives provided, although there is still room for improvement, especially in the aspects of fairness and frequency of incentives.
- Performance Appraisal: The average value of the Likert scale for the performance appraisal variable is 3.9, which indicates that most employees feel that the performance appraisal is carried out objectively and transparently. However, there are some employees who consider that the assessment process still does not provide adequate feedback for self-improvement.
- Work Ethic: The average score for work ethic is 4.2, which indicates that the majority of employees have a high work ethic, especially in terms of responsibility, discipline, and motivation to provide optimal public services.
- Productivity: The average score for employee productivity is 4.1, which indicates that employees feel that they can produce quality output and meet the work targets given by the organization.

3. Classical Assumption Test

Before performing multiple linear regression analysis, classical assumption tests are performed to ensure the feasibility of the regression model used. The results of the classic assumption test are as follows:

- Normality Test: The results of the normality test with the Kolmogorov-Smirnov test showed that the data was normally distributed ($p\text{-value} > 0.05$).
- Multicollinearity Test: The results of the multicollinearity test show a VIF (Variance Inflation Factor) value below 10 for all independent variables, so there is no multicollinearity problem.
- Heteroscedasticity Test: The results of the heteroscedasticity test using the Glejser test showed that there were no symptoms of heteroscedasticity in the model ($p\text{-value} > 0.05$).

Based on the results of the classical assumption test, the regression model is feasible to use for further analysis.

4. Multiple Linear Regression Analysis

Multiple linear regression analysis was carried out to determine the influence of incentives, performance assessments, and work ethic on employee productivity. The results of the regression analysis are shown in the table below:

Table 1. Multiple Linear Regression Analysis

Independent Variables	Regression Coefficient (β)	t-count	Sig.
Incentives (X1)	0,312	2,450	0,018
Performance Appraisal (X2)	0,400	3,290	0,002
Work Ethic (x3)	0,485	4,015	0,000

From the results of the above analysis, it can be concluded that:

- Incentive (X1) has a positive and significant effect on employee productivity with a regression coefficient value of 0.312 and a p-value of 0.018 ($p < 0.05$). This means that the better the incentives received, the higher the productivity of the employees.
- Performance assessment (X2) also had a positive and significant effect on employee productivity with a regression coefficient value of 0.400 and a p-value of 0.002 ($p < 0.05$). Thus, an objective and fair performance assessment increases employee productivity.
- Work ethic (X3) has the greatest influence on employee productivity with a regression coefficient of 0.485 and a p-value of 0.000 ($p < 0.05$). This shows that the high work ethic greatly affects the productivity of employees in the East Aceh Social Service.

5. F Test and t Test

- Test F: The results of the F test show an F-count value of 35,210 with a p-value of 0.000 ($p < 0.05$), which means that simultaneously, incentives, performance appraisals, and work ethic have a significant effect on employee productivity.
- T-test: The t-test shows that each independent variable (incentive, performance appraisal, and work ethic) has a partially significant influence on employee productivity ($p < 0.05$).

6. Coefficient of Determination (R^2)

The value of the determination coefficient (R^2) in this regression model is 0.652, which means that 65.2% of the variation in employee productivity can be explained by the variables of incentives, performance appraisals, and work ethic. The remainder, 34.8%, was explained by other factors outside the research model, such as organizational culture, work environment, and other external factors.

DISCUSSION

The results of this study show that incentives, performance assessments, and work ethic have a significant influence on employee productivity in the East Aceh Social Service. These findings are in line with human resource management theory which emphasizes the importance of these factors in improving individual and organizational performance. Based on the results of multiple linear regression analysis, work ethic has the greatest influence on productivity, followed by performance and incentive assessments. This discussion will elaborate on each variable in more depth, and relate it to previous research and theory.

1. The Effect of Incentives on Productivity

This study found that incentives had a significant effect on employee productivity, with a regression coefficient of 0.312. This shows that the better the incentives employees receive, both in financial and non-financial forms, the higher the productivity produced. This finding is in line with the motivation theory of expectancy put forward by Victor Vroom, which states that a person will be more motivated to work if there is an expectation that the effort made will yield a commensurate reward. The right incentives encourage employees to work harder and more efficiently because they feel valued and motivated to achieve organizational goals. This research is also in line with the research conducted by (Chandra & Sobirov, 2023) which shows that fair and targeted incentives contribute to increased work motivation and productivity. Employees who receive incentives on a regular basis, whether in the form of bonuses, benefits, or non-material awards, tend to show improved performance because they feel that their efforts are recognized by the organization. Therefore, the results of this study reinforce the view that good incentive management is a key factor in increasing productivity.

2. The Effect of Performance Appraisal on Productivity

Performance assessment was also found to have a significant effect on employee productivity, with a regression coefficient of 0.400. These results support the concept of performance appraisal put forward by (Bryk & Schneider, 2002), where performance appraisals conducted in an objective, transparent, and fair manner can provide constructive feedback to employees, so they know where their strengths and weaknesses are. The feedback provided from the performance appraisal motivates employees to improve themselves and increase efficiency at work. This research is also in line with the research conducted by (Carroll et al., 2001), which shows that performance appraisals that are carried out regularly and with clear criteria are able to increase the intrinsic motivation of employees. Employees who feel that their performance appraisals are conducted fairly will be more committed to achieving organizational goals (Hartono & Setiawardani, 2017). In the context of the East Aceh Social Service, the results of this study show that it is important for public institutions to implement an open performance appraisal system and provide clear feedback to employees as a form of motivation and encouragement for performance improvement.

3. The Effect of Work Ethic on Productivity

The main finding in this study is that work ethic has the greatest influence on employee productivity, with a regression coefficient of 0.485. A strong work ethic, which includes discipline, responsibility, work motivation, and dedication, has proven to be a dominant factor in driving employee productivity. This supports the view (Weber, 1947) in *The Protestant Ethic and the Spirit of Capitalism*, which states that a high work ethic is directly related to increased productivity and economic success. Previous research conducted by (Anwar Prabu, 2017) It also shows that a high work ethic correlates with high productivity in various sectors, including the public sector. Employees with a strong work ethic tend to be more disciplined, more responsible, and more motivated to deliver the best results in every task they perform. In the context of the East Aceh Social Service, these findings show that the development of a good work ethic among employees, through training, strengthening a positive work culture, and managerial support, is very important in improving the quality of service to the community.

CONCLUSION

Based on the results of the research and discussions that have been carried out, it can be concluded that incentive factors, performance assessments, and work ethic have a significant influence on the productivity of East Aceh Social Service employees. Of these three factors, work ethic has the greatest influence on increasing productivity, which shows that intrinsic motivation, discipline, and responsibility at work are important elements that encourage employee productivity. The effect of incentives on productivity is also significant, where employees who get fair incentives and under their performance tend to show an increase in work productivity. This reinforces the view that financial and non-financial well-being can increase work motivation. Performance appraisals also play an important role in increasing productivity, especially when carried out objectively, and transparently, and providing constructive feedback to employees. Good performance appraisals help employees to understand their strengths and weaknesses, as well as encourage continuous improvement. Overall, the results of this study confirm the importance of proper human resource management, especially in terms of providing incentives, fair performance appraisals, and developing a high work ethic. These three factors support each other in encouraging employee productivity in the public sector. Therefore, government agencies such as the East Aceh Social Service need to pay attention to policies and programs that support the improvement of these three factors to achieve more optimal productivity. This research also provides implications that with good management, public sector organizations can achieve better performance through effective management approaches. However, due to the limitations of this study, it is hoped that further research can expand the scope and add other variables to get a more comprehensive picture of the factors that affect employee productivity in the public sector.

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