

# *Effect of Incentives, Leadership Style on Performance of Office Employees of The Ministry of Religion Kerinci District*

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**Abstract** - This study aims to reveal the Effect of Incentives, Leadership Style on the Performance of Office Staff of the Ministry of Religion in Kerinci Regency. This study uses quantitative methods. The population of this study was all employees in the Office of the Ministry of Religion of Kerinci Regency. Respondents in this study amounted to 95 people. Data collection techniques in this study used cluster sampling techniques. Data was collected through questionnaires that had been tested for validity and reliability in advance both content and empirical test items in the field. The data analysis technique used is path analysis. The results of this study get the idea of the significance of the influence of incentives and leadership style on the performance of employees of the Kerinci district ministry of religion. This means increasing incentives and leadership styles will improve employee performance.

**Keywords** - Incentives and Leadership Style on Employee Performance.

## I. INTRODUCTION

In running the government, the role of civil servants as one of the human resources is very important. Because humans are the driving force of a government organization. Human resources play a major role as a factor in achieving organizational goals within the government. This is because humans become planners, actors, and determinants of the goals of the organization.

At present the Indonesian government is working hard to be able to increase people's living rates in order to rise to become a developed country and no longer be a developing country. The Indonesian government seeks to improve the quality of human resources (HR) which has an important role in the company or other agencies to create quality jobs.

In order to achieve the goals of an organization, good employee performance is needed. A performance can be said to be good if in doing a job to get the results that match the goals both in quality, quantity and time in accordance with the predetermined target. This is in line with the

opinion of Mangkunegara (2000: 67) which suggests that performance is the work of quality and quantity achieved by employees in carrying out their duties in accordance with the responsibilities given to them.

The Office of the Ministry of Religion of Kerinci Regency consists of several parts, namely the administration section, the madrasa education section, the Islamic Education section, the Hajj and Umrah Organizing section, the Sharia Development section and the Community Development Section. Based on preliminary data obtained by researchers when conducting initial research at the Ministry of Religion in Kerinci Regency, several problems were found in employee performance within the Ministry of Religion of Kerinci Regency.

This is indicated by the existence of work targets that have not been fully realized. It can be understood that the performance achievements of the Employees in the Ministry of Religion of Kerinci Regency are still not optimal. This is because some employees in the Ministry of Religion of

Kerinci Regency have received less incentives. This may also be related to the leadership style possessed by the leadership and also the motivation of work given by superiors to subordinates in encouraging subordinates / employees. This is also in accordance with the opinion of Hessel (2007: 178) which states that several factors that can influence organizational performance are discipline, work environment, motivation, organizational culture, compensation, leadership, job satisfaction and organizational commitment.

In producing optimal performance, work incentives are needed to fit the planning and organizational goals that can be achieved. One that must be maintained is by maintaining incentives within the organization. incentives become one of the important factors that influence employee performance According to Jessica Martha Kusuma (2013) who pointed out that incentives have a positive and significant influence on performance. Through incentives, employees will be able to be monitored properly so that they can improve performance and have an impact on maximizing the quality of work for employees.

According to (Mangkunegara, 2006: 89) that incentives are a form of motivation expressed in the form of money on the basis of high performance and also a sense of recognition from the organization on employee performance and contribution to the organization. Then it (Hasibuan, 2011: 118) also says incentives are additional rewards for services provided to employees of certain standard achievements. This incentive is a tool used to support the principle of justice.

In order to achieve organizational goals, incentives need to be done so that everything that has been planned can go as expected, and when there is a deviation it can take action as a correction. Because incentives are very important to achieve the goals of organizational incentives that are useful for those who carry out incentive activities as said according to (Handoko, 2011: 176) argues that the goal that the purpose of the incentive system is essentially to increase employee motivation in achieving goals -the aim of Sementra Rivai organization (2010: 767) reveals the main purpose of incentives is to provide responsibility and encouragement to employees in order to improve the quality and quantity of work products.

Based on the results of interviews conducted by the researchers with 4 (four) employees of the Ministry of Religion of Kerinci Regency on January 20-21 2018, incentives made by leaders towards employees were not optimal, so many work results were not as expected, thus

affecting the quality of work. This is also in line with the interviews of researchers with the administrative section of the Ministry of Religion of Kerinci Regency, Mr. Syahridal, M.Sc., on January 21, 2018 which said that the incentives carried out by the leadership were not good so there were still many jobs that were not according to what had been determined.

Next the researcher interviewed the head of the Kasi Bumam Islam, Mr. Tri Yurman. S.Ag, Kasi Pais Drs Nahrizal, Head of Education for Mandrasah Dafrisman .Sd. P. leadership and work motivation. Their Head of Hajj and Umrah Organization Drs. H Amri stated that the lack of optimal performance of the Ministry of Religion Office staff in Kerinci Regency was influenced by lack of incentives, leadership style and work motivation.

In addition, one of the factors that influence employee performance is leadership style. Organizations to achieve a high level of worker productivity need to ensure leadership style. A good relationship between leaders and subordinates will create a conducive work environment so that the performance of employees / employees will be higher along with the leadership style that is applied better. According to Handri Wahyuni (2008) Leadership has a positive effect on performance.

According to Purnomo (2006: 46) Leadership style has a positive effect on employee performance. According to Luthans (2002: 56) Leadership style has a very important role in influencing the workings of employees. the quantity achieved by someone in carrying out their duties in accordance with the responsibilities given.

Based on the results of interviews conducted by researchers with 4 (four) employees of the Ministry of Religion of Kerinci Regency on January 20-21, 2018, the leadership did not motivate subordinates by giving gifts to those who productivity above standard productivity and also giving awards. This indicates that the work motivation given is not as expected. Therefore, based on the phenomena that the researcher has described above, researchers are interested in conducting further research on the performance of the Ministry of Religion staff in Kerinci Regency, by identifying and examining various factors that influence employee performance through this thesis research entitled "Incentive Effects and Leadership Style Against Performance of the Ministry of Religion Office Staff in Kerinci Regency".

**II. RESEARCH METHODOLOGY**

The method used in this research is using a quantitative approach. This research was conducted in Kerinci Regency in late 2017, with 95 employees of the Office of the Ministry of Religion of Kerinci Regency. In this study the technique used in data collection was a questionnaire (questionnaire). the independent variable is Incentive (X1), Leadership Style (X2) and one dependent variable is Employee Performance (Y).

T test (partial) is done to determine the extent of the partial influence of the independent variable (X) on the dependent variable (Y). While the F statistical test (simultaneous) is conducted to determine whether all the

independent variables in this study have a joint influence on the dependent variable.

**III. DISCUSSION AND RESULTS**

The results of the regression equation test were carried out aiming to determine whether there is a significant influence between exogenous variables on exogenous variables together so that the analysis of the regression equation can be used to test the research hypothesis with the path analysis model.

**Analysis of Regression Variance Substructure Effect of Incentives (X1), Leadership Style (X2) Against Employee Performance (Y)**

ANOVA<sup>b</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	77.562	3	25.854	7.868	.000 <sup>a</sup>
	Residual	404.201	123	3.286		
	Total	481.764	126			

a. Predictors: (Constant), Incentives, Leadership Style

b. Dependent Variable: Employee Performance

Source: *Processed from Primary Data in 2018.*

Based on the regression equation analysis of the effect of the Incentive variable (X1), leadership style (X2), on employee performance variables (Y) it can be seen that the significant value of the regression equation X1, X2 towards Y is equal to 0.007 smaller than  $\alpha = 0.05$ . Thus the hypothesis is accepted, so it can be concluded that incentives (X1), leadership style (X2), have a significant effect on employee performance variables (Y) together. so that it meets the requirements for testing the research hypothesis using the path analysis model.

From testing the hypothesis that the researcher has done, the results show that all hypotheses can be accepted, this can be seen in the explanation of each hypothesis as follows:

1. Based on the analysis of influence (X1) on employee performance (Y), the value of tcount = 2.361 with sign 0.020 < 0.05 is obtained, so the hypothesis is accepted, So it can be concluded that there is a direct effect of incentives (X1) on employee performance (Y).

2. Similarly, based on the analysis of the influence of leadership style (X2) on employee performance (Y), the value of tcount = 0768, on the sign = 0.004 < 0.05, thus the hypothesis is accepted. So it can be concluded that there is a direct influence of leadership style (X2) on employee performance (Y).

**IV. DISCUSSION**

After the results of the research and the regression equation test were obtained, the researchers then tried to explain the discussion of the findings of the research. The discussion of the findings of this study are as follows:

**1. Direct Effect of Incentives on Employee Performance.**

Based on the results of research that researchers do that incentives directly affect employee performance. Thus it can be explained that incentives can affect the performance of employees of the Ministry of Religion Office of Kerinci Regency and are able to significantly influence the

performance of the employees of the Ministry of Religion Office. In other words, the better the incentives of fellow Ministry of Religion employees in Kerinci Regency, the higher the performance of the Ministry of Religion's employees, and vice versa if the incentives of fellow Ministry of Religion employees are not good, the performance of employees will decrease.

This is reinforced by the results of research from Jessica Martha Kusuma (2013) which states that incentives have a positive and significant effect on employee performance. Incentives are a system of giving remuneration associated with performance, both material and non-material in nature that can provide motivation or driving force for employees to work better and more enthusiastically, so that employee performance or work results are increased which ultimately can be achieved (Rochmat et al, 2013).

Wibowo (2012) states that incentives with employee performance Incentives have a positive and significant effect on employee performance. because every job that has given its best performance is sure to expect a reward in addition to salary or wages in addition to incentives for the achievements that have been given to the company.

## 2. Effect of Leadership Style on Employee Performance

Based on the results of research that researchers conducted that leadership style directly influences the performance of pagawai. Thus it can be explained that leadership styles can affect the performance of the employees of the religious ministry in Kerinci Regency and are able to influence performance significantly. In other words, the better the leadership style in the office, the better performance of the employees of the Ministry of Religion in Kerinci Regency and vice versa if the leadership style in the office is not good enough to meet expectations, the performance of employees in the Ministry of Religion will decrease.

According to Gomes (2002) performance is a function of motivation and ability, indicating that the leadership style of employee performance is positive. This means that there is a unidirectional relationship, thus each increase in one unit of leadership style mastery, then employee performance will rise. To improve performance, the role of an authoritative leader and having a good and firm leadership can be an important factor in an organization.

This is also reinforced from the results of research conducted by Tucunan, Supartha, & Riana, (2014) proving that leadership style has a significant positive effect on employee performance received. This proves that the

stronger the leadership, the better the employee's performance.

In addition, this research is also supported by the results of a study conducted by Triyono (2011) which states that there is an indirect effect of physical work environment on work morale through work motivation with indirect (indirect) value of 0.256.

## V. CONCLUSION

Based on the results of hypothesis testing to determine the effect of incentives, leadership style and work motivation on the performance of employees of the Ministry of Religion Kerinci. From the results of data processing and discussion as described, it can be concluded that:

1. There is a direct effect of incentives on employee performance significantly, where the contribution value obtained is 0.0576 or 5.76% with a significance value smaller than  $\alpha = 0.05$ , which means that incentives greatly influence employee performance and incentives need to be increased for the sake of improve employee performance for the next.
2. There is a direct influence of leadership style on employee performance significantly, where the contribution value obtained is 0.034225 or 3.42% with a significance value smaller than  $\alpha = 0.05$ , which means that the leadership style is very influential on employee performance and leadership style needs to be improved again to improve employee performance in the future.

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