



The Effect of Rewards, Incentives and Welfare Allowances on Employee Morale at PT. PNM (Independent National Capital) Binjai

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ABSTRACT

The research approach used is quantitative, this study uses a questionnaire as a data collection tool which is distributed to 80 employees. The results showed that the reward variable t arithmetic value was $4.227 < t$ table 1.665 with a significant $0.015 < 0.050$, meaning that partially reward had a positive and significant effect on employee morale. The results showed that the Incentive variable t count $1.826 > t$ table 1.665 with a significant $0.072 > 0.050$, meaning that partially the incentive variable had a positive but not significant effect on Employee Morale. The results showed that the Welfare Allowance value t count $2.728 > t$ table 1.665 with a significant $0.008 < 0.050$, meaning that partially the Welfare Allowance variable has a positive and significant effect on Employee Morale. The results showed that the calculated F value was $47,127$ with a significant level of 0.00 . Because F count $47,127 > F$ table 2.72 and the significant probability is much smaller than 0.05 , i.e. $0.000 < 0.05$, the regression model can be said that Rewards, Incentives and Welfare Allowances simultaneously have a positive and significant effect on Employee Morale. While the adjusted R square is 0.637 or 63.7% of the variation in Employee Morale which can be explained by the independent variables Reward, Incentives and Welfare Allowances while the remaining 34.3% ($100\% - 95.3\% = 34.3\%$) can be explained by other independent variables.

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1. Introduction

Human resources are one of the most important aspects that must be managed by the organization in order to make a maximum contribution in achieving the goals of an organization. In the increasing development of the business world, the higher the level of competition in the business sector, one of which is in the industrial sector. Companies are required to be able to achieve the expected targets through improving the quality of employee performance. Given the importance of human resources which includes the role, management, and utilization of employees, it is necessary to stimulate employee morale.

To improve effective performance, organizational agencies can pay attention to the most important thing, namely meeting the needs of their employees. High achievement must be given a proper reward and if it violates the rules in the organization must be given an appropriate and fair punishment.



Mistakes in applying the reward and punishment system will result in no job satisfaction among employees and if this happens it can cause low performance for both employees and the organization.

Rewards are rewards, prizes, awards or rewards that aim to make someone even more active in their efforts to improve or improve the performance that has been achieved. Reward is one of the most important control tools used by companies to inspire or motivate employees to act in order to achieve the goals and objectives expected by the company.

One of the company's efforts to pay attention to the welfare of its workers is to provide incentives. This is the most important factor in being able to attract, maintain, and retain workers for the benefit of the organization concerned. Companies can regulate the provision of incentives appropriately. The effect of incentives is an organization's effort to maintain its human resources. In order for the workforce to be employed effectively and efficiently in a company, the company needs to recognize, know and pay attention to the behavior of its employees and must direct it as planned.

Morale is very important in every cooperative effort of a group of people in an organization, high morale will result in high work productivity and will facilitate the company in achieving the goals that have been set. A business will not progress without high morale. High morale will have a positive impact on the company, otherwise low morale will harm the company such as low productivity, employee turnover and high absenteeism. So with this incentive, the company expects to be able to create and improve the morale of its employees, so that they can provide results towards achieving company goals.

Welfare benefits are directly related to employee performance, and can be given in the form of compensation, such as transportation fees, food allowances, pensions, holiday allowances, position fees, pocket money, bonuses, education fees, medical fees, official clothes, leave money, and money. death. Meanwhile, non-material employee welfare can be in the form of providing facilities and services for employees such as the facilities provided by the company. Thus, it can be said that the welfare program consists of two main components, namely: compensation that is directly related to employee performance and compensation that is not related directly with the employee's work performance but is given by the company to the employee which is seen as additional income.

Providing employee welfare is very meaningful and beneficial for the company and employees. For employees, the provision of welfare is useful for creating harmonious industrial relations between the company and employees, increasing employee morale, work discipline, and employee loyalty to the company (credibility, commitment and character).

The object of this research was conducted at PT. PNM (Permodalan Nasional Mandiri) Binjai, which is one of the financial services business entities that provides financing services and management services, as part of the implementation of the government's strategy to promote MSMEK, in particular is a contribution to the real sector, in order to support the growth of new entrepreneurs who have prospects business and create jobs.

Based on the initial survey that the researchers conducted with several employees of PT. PNM (Permodalan Nasional Mandiri) Binjai through interviews, it can be concluded that in connection with the provision of rewards to increase employee morale, researchers found phenomena that could inhibit or reduce employee morale.

Respondents were 80 employees of PT. PNM (Permodalan Nasional Mandiri) Binjai indicated a decrease in morale. Each respondent was given open-ended questions about what caused their morale to decrease. Each respondent gave an average of 2 answers. The survey results show that promotions and awards are the two highest factors. response awards of 45% and promotions with answers of 35% while promotions in other fields and praise to employees only get 15% and 5%. Observations were made in November 2020 to find out the causes of poor morale.

2. Method

In this research, the writer uses quantitative research. Quantitative research is the testing of theories or concepts through measuring research variables with numbers and analyzing data using deductive statistical procedures. Nabhan (2014:15) and the population in the study were all employees of PT. PNM (Permodalan Nasional Mandiri) Binjai, amounting to 80 people, the sample is all employees of PT. PNM (Permodalan Nasional Mandiri) Binjai totaling 80 people. This study uses 2 (two) independent variables, namely: Reward (X1), Incentive (X2) and Welfare Allowance (X3) and the dependent variable

is Work Spirit (Y). In this study, the measurement scale used was the Likert scale, the data collection techniques in this study were Observation, Questionnaire, and Interview. The data analysis technique used is validity test, reliability test, classical assumption test, normality test, multicollinearity test, heteroscedasticity test and multiple regression analysis model, for hypothesis testing using F test, T test, and coefficient of determination.

3. Result and Discussion

3.1 Result

3.1.1 Validity Test

TABLE 1.
VALIDITY TEST RESULTS

| | Item-Total Statistics | | | | |
|------|----------------------------------|--------------------------------------|--|------------------------------------|---|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlatio n | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
| X1.1 | 87.43 | 532.020 | .531 | .860 | .932 |
| X1.2 | 87.31 | 533.914 | .586 | .845 | .931 |
| X1.3 | 87.60 | 535.787 | .514 | .657 | .932 |
| X1.4 | 87.38 | 539.427 | .439 | .800 | .933 |
| X1.5 | 87.25 | 536.089 | .548 | .802 | .932 |
| X1.6 | 87.24 | 534.740 | .559 | .997 | .932 |
| X1.7 | 87.98 | 520.506 | .825 | .871 | .929 |
| X1.8 | 87.61 | 534.873 | .614 | .911 | .931 |
| X2.1 | 87.20 | 528.035 | .612 | .880 | .931 |
| X2.2 | 86.89 | 536.734 | .492 | .901 | .932 |
| X2.3 | 86.89 | 540.886 | .397 | .710 | .934 |
| X2.4 | 87.14 | 535.183 | .511 | .839 | .932 |
| X2.5 | 86.79 | 540.169 | .478 | .892 | .933 |
| X2.6 | 87.04 | 527.125 | .635 | .902 | .931 |
| X2.7 | 87.06 | 532.920 | .531 | .942 | .932 |
| X2.8 | 86.93 | 535.336 | .529 | .712 | .932 |
| X3.1 | 87.65 | 539.699 | .534 | .874 | .932 |
| X3.2 | 87.80 | 529.504 | .634 | .871 | .931 |
| X3.3 | 87.05 | 544.858 | .378 | .846 | .934 |
| X3.4 | 86.89 | 534.177 | .548 | .739 | .932 |
| X3.5 | 86.76 | 533.120 | .568 | .880 | .932 |
| X3.6 | 87.05 | 533.339 | .508 | .706 | .932 |
| X3.7 | 87.13 | 540.769 | .431 | .861 | .933 |
| X3.8 | 87.25 | 535.380 | .551 | .997 | .932 |
| Y1 | 87.43 | 522.602 | .700 | .896 | .930 |

| | | | | | |
|----|-------|---------|-------------|------|------|
| Y2 | 87.05 | 533.542 | .552 | .870 | .932 |
| Y3 | 87.24 | 528.639 | .577 | .883 | .931 |
| Y4 | 87.60 | 531.104 | .620 | .848 | .931 |
| Y5 | 86.85 | 543.673 | .412 | .876 | .933 |
| Y6 | 87.51 | 541.569 | .394 | .870 | .934 |
| Y7 | 87.06 | 536.439 | .542 | .690 | .932 |
| Y8 | 87.53 | 543.974 | .408 | .897 | .933 |

Based on Table 1 above, the value of the product moment product correlation coefficient scores for each question item with the total of all questions shown in the corrected item total correlation column. From the data obtained all coefficient values exceed the number 0.30 it can be stated that all questions and scores obtained are valid (valid).

3.1.2 Validity Test

TABLE 2
VALIDITY TEST RESULTS

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|-------------------------|---|-------------------|
| .934 | .934 | 32 |

Based on Table 2 above, there is Cronbach's alpha of $0.9342 > 0.60$ so it can be concluded that the construct questions that have been presented to the respondents consist of 32 items, both in the variables of Rewards, Incentives and Welfare Allowances and Variable Y, namely: Employee Morale (Y) is reliable or reliable.

3.1.3 Normalitas Test Results

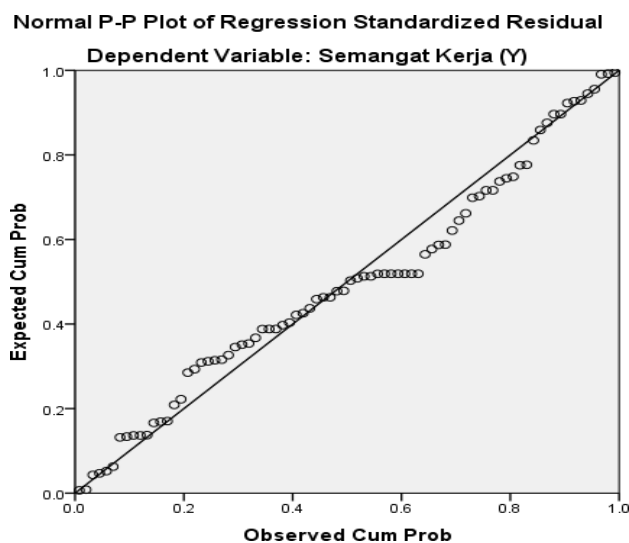


Figure 1 Normalit Test Results



Based on Figure 1, it can be seen above that the distribution of the points on Rewards, Incentives and Welfare Allowances and employee morale spreads around the diagonal line which can be concluded that the data presented can be said to be normal.

3.1.4 Multicollinearity Test

TABLE 3
MULTICOLLINEARITY TEST RESULTS

| Model | Coefficients ^a | | |
|------------|---------------------------|--------------------------------|-------|
| | Tolerance | Collinearity Statistics VIF | |
| (Constant) | | | |
| 1 | Reward (X1) | .394 | 2.539 |
| | Incentive (X2) | .662 | 1.510 |
| | Welfare Benefits (X3) | .392 | 2.551 |

a. Dependent Variable: Work Enthusiasm (Y)

Based on Table 3, it can be seen above that the VIF value of the Reward variable is 2,539, the Incentive is 1,510 and the welfare allowance is 2,551 which is greater than 1.0 which means there is multicollinearity while the tolerance value for the Reward is 0.394, the Incentive is 0.662 and the Welfare Allowance is 0.392 smaller than 1 0,0, it can be concluded that the regression model is free of multicollinearity disorders..

3.1.5 Heteroscedasticity Test

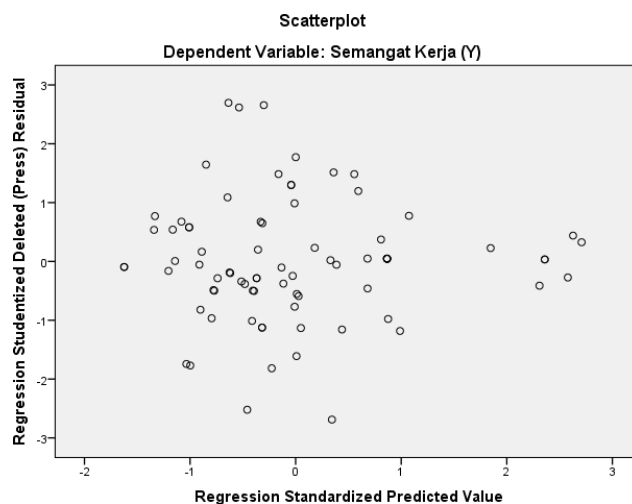


Figure 2 Heteroscedasticity Test Results

Based on Figure 2, it can be seen that the dots randomly or do not form a certain clear pattern. This shows that there is no heteroscedasticity in the regression model, so this regression model is suitable for use in this study.

3.1.6. Multiple Linear Regression Equation

TABLE 4
MULTIPLE LINEAR REGRESSION EQUATIONS

| Model | Coefficients ^a | | | |
|-------|-------------------------------|------------|--------------------------------|------|
| | Unstandardized Coefficients B | Std. Error | Standardized Coefficients Beta | |
| 1 | (Constant) | 2.901 | 1.793 | |
| | Reward (X1) | .439 | .104 | .457 |
| | Incentive (X2) | .133 | .073 | .152 |
| | Welfare Benefits (X3) | .304 | .111 | .296 |

a. Dependent Variable: Work Enthusiasm (Y)

Based on Table 4 shown above, the regression equation obtained is $Y = 2.901 + 0.439 X1 + 0.133 X2 + 0.304 X3$ The constant of 2.901 states that if there is no independent variable (value 0) then the dependent variable remains diversified Reward (X1) is 0.439, Incentive (X2) of 0.439 and welfare benefits of 0.304, it can be concluded that hypothesis 1 is accepted.

3.1.7. F Test

TABLE 5
F. TEST RESULTS

| ANOVA ^a | | | | | | |
|--------------------|------------|----------------|----|-------------|--------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 2300.717 | 3 | 766.906 | 47.127 | .000 ^b |
| | Residual | 1236.771 | 76 | 16.273 | | |
| | Total | 3537.487 | 79 | | | |

a. Dependent Variable: Work Enthusiasm (Y)

b. Predictors: (Constant), Welfare Benefits (X3), Incentive (X2), Reward (X1)

Based on Table 5, it can be seen above, that the F test produces a calculated F value of 47,127 with a significant level of 0.00. Because F count 47,127 > F table 2.72 and the significant probability is much smaller than 0.05, i.e. 0.000 < 0.05, the regression model can be said that Rewards, Incentives and Welfare Allowances simultaneously have a positive and significant effect on Employee Morale.

3.1.8. t Test

TABLE 6
T TEST RESULTS
Coefficients^a

| Model | | t | Sig. |
|-------|-----------------------|-------|------|
| 1 | (Constant) | 1.618 | .110 |
| | Reward (X1) | 4.227 | .000 |
| | Incentive (X2) | 1.826 | .072 |
| | Welfare Benefits (X3) | 2.728 | .008 |



a. Dependent Variable: Work Enthusiasm (Y)

Based on Table 6 above, it can be seen that the Reward variable t value count is $4.227 < t$ table 1.665 with a significant $0.015 < 0.050$, meaning that partially Reward has a positive and significant effect on Employee Morale.

3.1.9. Determination Test

TABLE 7
DETERMINATION TEST RESULTS

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .806 ^a | .650 | .637 | 4.034 |

a. Predictors: (Constant), Welfare Benefits (X3), Incentive (X2), Reward (X1)

b. Dependent Variable: Work Enthusiasm (Y)

Based on Table 7 above, it can be seen that the adjusted R square is 0.637 or 63.7% of the variation in Employee Morale which can be explained by the independent variables Reward, Incentives and Welfare Benefits while the remaining 34.3% ($100\% - 65.7\% = 34.3\%$) can be explained with other independent variables.

3.2 Discussion

1. The Effect of Rewards on Employee Morale

The results showed that the reward variable t arithmetic value was $4.227 < t$ table 1.665 with a significant $0.015 < 0.050$, meaning that partially reward had a positive and significant effect on employee morale.

Thus it can be said that some of the respondents agree that the higher the reward given to employees will be in line with the increasing morale of the employees with this reward as a motivation or encouragement for employees to improve their performance, here the reward system that has been running in PT. PNM (Permodalan Nasional Mandiri) Binjai well, we can see from the results of the regression analysis test which is assisted by a tool, namely SPSS. 20 that rewards affect the level of motivation given to their employees.

2. Influence of Incentives on Employee Morale

The results showed that the Incentive variable t count $1.826 > t$ table 1.665 with a significant $0.072 > 0.050$, meaning that partially the incentive variable had a positive but not significant effect on Employee Morale. Incentives are the provision of remuneration other than employee salaries or wages that are in accordance with the employee's performance so far, incentives are used as a way to motivate and encourage employees to work harder in order to produce better productivity. This incentive is not permanent, for example in the form of bonuses.

With the provision of incentives, it is expected that employees can work harder and provide achievements that exceed predetermined standards. As already mentioned in the theoretical study. In line with the opinion of Handoko (2012) argues that incentives are incentives offered to employees to carry out work according to or higher than the standards that have been set.

3. The Effect of Welfare Benefits on Employees' Work Enthusiasm

The results showed that the Welfare Allowance value t count $2.728 > t$ table 1.665 with a significant $0.008 < 0.050$, meaning that partially the Welfare Allowance variable has a positive and significant effect on Employee Morale. Based on the recapitulation of perceptions of permanent employees of PT. PNM (Permodalan Nasional Mandiri) Binjai on employee welfare programs, it can be

concluded that the majority of employees have a good perception of several aspects of the employee welfare program. This can be seen from the average score for each respondent as well as for the total average score of the employee welfare program which is in the range of number 4. This reflects that in general the employee welfare program is considered good by the employees. This means that there is a positive perception of permanent employees of PT. PNM (Permodalan Nasional Mandiri) Binjai will provide employee welfare programs.

4. Effect of Rewards, Incentives and Welfare Allowances on Employee Morale

Results The results showed that the calculated F value was 47,127 with a significant level of 0.00. Because F count 47,127 > F table 2.72 and the significant probability is much smaller than 0.05, i.e. 0.000 < 0.05, the regression model can be said that Rewards, Incentives and Welfare Allowances simultaneously have a positive and significant effect on Employee Morale. While the adjusted R square is 0.637 or 63.7% of the variation in Employee Morale which can be explained by the independent variables Reward, Incentives and Welfare Allowances, while the remaining 34.3% (100% - 65.7% = 34.3%) can be explained by other independent variables.

Morale can also be interpreted as a climate or work atmosphere contained in carrying out work that can encourage employees to work harder and more productively. So if superiors are able to increase the morale of subordinates, they can get many benefits because the work will be completed quickly and will reduce the incidence of damage, the level of absenteeism and employee delays will be minimized and the willingness of employees to change agencies can be overcome as for measuring how well the morale of employees at PT . PNM (Independent National Capital) Binjai.

4. Conclusion

From the description that has been presented in the previous chapter, it can be concluded to answer the first problem formulation as follows The results showed that the calculated F value was 47,127 with a significant level of 0.00. Because F count 47.127 > F table 2.72 and the significant probability is much smaller than 0.05, namely 0.000 < 0.05, the regression model can be said that Rewards, Incentives and Welfare Allowances simultaneously have a positive and significant effect on Employee Morale. Partial Test (t-Test). The results showed that the Reward variable t count 4.227 > t table 1.665 with a significant 0.015 < 0.050, meaning that partially Rewards had a positive and significant effect on Employee Morale. he results of the study indicate that the Incentive variable t count 1.826 < t table 1.665 with a significant 0.072 > 0.050, meaning that partially the incentive variable has a positive but not significant effect on Employee Morale. The results showed that the Welfare Allowance value t count 2.728 > t table 1.665 with a significant 0.008 < 0.050, meaning that partially the Welfare Allowance variable has a positive and significant effect on Employee Morale. The amount of adjusted R square is 0.637 or 63.7% variation in Employee Morale which can be explained by the independent variables Reward, Incentives and Welfare Benefits while the remaining 34.3% (100% - 65.7% = 34.3%) can be explained by other independent variables..

Suggestions that can be submitted are: To improve employee performance, it can be done by giving rewards for employees so that they are passionate about work and have creativity in their work. It is also necessary to be sensitive to helping colleagues work as soon as possible after their own work is completed, so that in addition to doing the work of employees. If PT. PNM (Permodalan Nasional Mandiri) Binjai wants to re-implement the incentive program, it's a good idea for the company to seek information about the desires and expectations of its employees regarding incentives, so that employees can be more satisfied with the amount of incentives provided. In addition, improving the assessment of incentives that were previously per division to be per individual, so that employees can feel that the incentives given are fair according to what they are doing. The implementation of the employee welfare program should be carried out more precisely in accordance with the conditions and needs of the majority of employees, so that it will be able to produce good employee morale, and be able to increase the good perception of employees regarding economic welfare programs, entertainment and recreation welfare programs, and additional welfare program facilities



on employee perceptions of employee morale. For further researchers, it is better to add other factors that can affect work morale in addition to providing rewards, incentives and welfare benefits.

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