Implementation of Incentive and Career Development of Performance with Motivation as an Intervening Variable

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Abstract

The aim of this research is to find out how the influence of incentive, and career development on performance with motivation as the intervening variable. The population of this research is lecturers of University of Muhammadyah Sumatera Utara (UMSU). Sample which is taken from all faculties in UMSU so the total sample size used for this research was 300 respondents, taken by using accidental sampling method. The data was taken by questionnaire method and the data analysis method is using path analysis with SPSS. The results shows that (1) incentive has a significant relationship with motivation and performance of UMSU's lecturers (2) career developments has an insignificant relationship with motivation and performance of UMSU's lecturers (3) motivation act as an intervening variable which is mediating the relationship between incentive and career development with performance of UMSU’s lecturers.

Keywords: incentives, career development, motivation, performance.

Introduction

A lecturer is required to carry out his or her job responsibilities which reflect part of Tri Darma of Higher Education as well as possible, improving its performance as educator, lecturer, and researcher and as devotee to society so they can support the achievement of university's goal. Performance is the result of work in quality and quantity achieved by an employee in performing their duties in accordance with the responsibilities given to him (Mangkunegara, 2009). Pasaribu (2009) in his research also states that giving incentives can be employee motivation to have good performance.

One of organization strategy to improve employee performance is by providing incentives in accordance with the achievement of employee performance. Providing incentives to lecturers requires an evaluation by the university so that incentives can be better and accordance with the expectations of the lecturers. The number of incentives given based on the creativity and innovation of the lecturers who were made scientific work in the form of research, dedication and the level of attendance and discipline of lecturers in implementing Tri Darma of Higher Education. But the facts in the field is the lecturers feels the level of incentives have not been in accordance with expectations and rules on the amount eligible received by the lecturer is not clear. Thus, the provision of incentives has not maximally motivated lecturers to produce more writings through research activities and community service. The lecturers are still lazy to make papers through research and community...
service. So the performance of the lecturers is still not optimal which impacts on the performance and the value of university.

Career development is a staffing activity that helps employees plan their future careers in the organization so that the organizations and employees can develop themselves to the maximum level (Mangkunegara, 2009). The development of a good and planned career will indirectly affect the performance of employees. In practice, career development for UMSU lecturers has not been optimal; it seems there are still lecturers who do not care to improve their career through the improvement of lecturer rank because they were confused with the process and the lack of socialization from management. In addition, the various requirements that need management guidance are hard to fulfill by the lecturer.

Based on the description we can be known that there is a relationship between employee performance with incentives, career development and motivation in an organization. The chance of employee career development will be able to improve their performance. Similarly, giving incentives will motivate employees to improve their performance.

**Literature Review**

**Incentives**
Incentives are defined as additional compensation beyond salary or wages provided by the organization to members of the organization. While Mangkunegara (2009) states that the incentive is a reward in the form of giving money outside the salary given by the leadership of the organization as an acknowledgment of job performance and employee contribution to the company / organization. Nawawi (2008) also linked incentives with motivation because of rewards or rewards that can motivate members of the organization for better productivity.

**The Purpose of Incentives**
The incentives, especially the financial incentives, are intended to fulfill the material needs of employees, with the fulfillment of material needs that employees are expected to work better, quickly and in accordance with the standards of the organization so that the output produced can increase and ultimately the performance of employees can also increase.

**Career Development**
Handoko (2008) states that career development are personal enhancements made by a person to achieve better career planning. Mangkunegara (2009) states that career development is a staffing activity that helps employees plan their future careers in the organization so that the organizations and employees concerned can develop themselves to the maximum.

Handoko (2008) mentions that career development aspect is consist of two activities: (1) individual career development consisting of job performance, exposure, stop request, organizational loyalty, mentor and sponsor, (2) opportunity to grow and develop career organizational consisting of management support, employee feedback to realize career goals, and cohesive working groups.

**Motivation**
Motivation is an impulse of the soul that makes a person moved to perform a productive action, whether or not work-oriented moneymaking. Wibowo (2014) states that motivation as a boost to the process of human behavior for the achievement of goals. Factors contained in motivation include the elements of generating, directing, keeping, showing intensity, are constant and the purpose. Sedarmayanti (2015), states that motivation is the willingness to expend the
maximum effort toward organizational goals conditioned by the individual's ability to meet individual needs.

**Performance**
According to Gomes (2003) that Performance is an outcome record generated from the function of a particular job or activity during a certain period of time. Based on the above understanding can be said that the performance or achievement is the outcomes or outcomes of a job that employees have to do from a job function that has been established by the organization or their contribution to the organization at a period of time set by the organization. Employee performance according to Simamora (2008) is the level to which employees reach job requirements. Meanwhile, according Mangkunegara (2009), the definition of employee performance is the result of work in quality and quantity achieved by an employee in performing their duties in accordance with the responsibilities given to him. Performance is the appearance of one's work in the form of quality or quantity in an organization.

**Research Method**
The samples used in this study were 300 people selected by simple random sampling method. Data were obtained through questionnaire and analyzed by path analysis method using SPSS software.

**Results and Discussion**
Based on the questionnaire data given to the respondents, it is known that the majority of lecturers in UMSU are female because they are considered to be much more enthusiastic in implementing Tri Darma of Higher Education and willing to accept to be motivated in performance improvement. In addition, female lecturers are more diligent to write papers through research and community service.

Lecturers in UMSU are also known to have few findings and writings those visionary results from research and community service that becomes an added value for the performance of university. In addition, lecturers at UMSU are also known to have a few who have high rank where the ranks of expert assistant still dominate in university.

So the path diagram for path analysis model with intervening variable is like the picture below.

```
<table>
<thead>
<tr>
<th>X1</th>
<th>ε1</th>
<th>ε2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Z</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 1. The path diagram.
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Based on the conceptual framework there are two sub-structures in this research, they are:

1. The influence of incentives and career development on the motivation of lecturers with the following equation:

\[
Z = \rho_{xx1}\textit{X}_1 + \rho_{xx2}\textit{X}_2 + \epsilon_1
\]
2. The influence of incentives, career development and employee motivation on employee performance with the following equation:

\[ Y = \rho_{yx_1}X_1 + \rho_{yx_2}X_2 + \rho_{yz}\bar{Z} + \varepsilon \]

**Model Equations**

**Sub Structure I**

**Simultaneous Test (F Test)**

In this case, incentive variable and career developments have a significant effect on motivation, meaning that incentive variable and career development has a big enough role in influencing employee motivation level.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
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<td>2</td>
<td>386.859</td>
<td>70.658</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
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<td>189</td>
<td>5.475</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1808.495</td>
<td>191</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), career development, incentive
b. Dependent Variable: Motivation

**Partial Test (Uji t)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>16.931</td>
<td>2.636</td>
<td>6.422</td>
<td>.000</td>
</tr>
<tr>
<td>Incentive</td>
<td>.653</td>
<td>.054</td>
<td>.650</td>
<td>11.811</td>
</tr>
<tr>
<td>Career Development</td>
<td>.102</td>
<td>.056</td>
<td>.100</td>
<td>1.822</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Motivation

**Model Equations**

**Sub Structure II**

**Simultaneous Test (F test)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
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<td>Residual</td>
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<td>188</td>
<td>4.221</td>
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</tr>
<tr>
<td>Total</td>
<td>1489.917</td>
<td>191</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), motivation, career development, incentives
b. Dependent Variable: performance
Partial Test (t Test)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1(Constant)</td>
<td>6.026</td>
<td>2.554</td>
<td>.135</td>
<td>2.359</td>
</tr>
<tr>
<td>Incentive</td>
<td>.127</td>
<td>.063</td>
<td>.135</td>
<td>1.979</td>
</tr>
<tr>
<td>Carrier Development</td>
<td>.065</td>
<td>.050</td>
<td>.072</td>
<td>1.334</td>
</tr>
<tr>
<td>Motivation</td>
<td>.523</td>
<td>.063</td>
<td>.578</td>
<td>8.210</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance

Incentives have a significant impact on improving the motivation of lecturers in implementing Tri Darma of Higher Education, but there are few issues related to incentives perceived by the lecturers is not enough that the lecturers assume that their leaders have not given praise and incentive that is fair and equitable for all lecturers regardless of the period service even in giving of incentive still felt element of superiority of boss without seeing result of lecturer performance as a whole. The impact is that lecturers are not motivated to be more active in conducting research and community service or in producing a good scientific works.

Provision of incentives to lecturers also has a significant effect on improving the performance of lecturers. Incentives are attributed to meeting the material needs of lecturers in which incentives increase the income earned by lecturers to meet the needs of their lives and their families. Meeting the right needs will make the lecturer to work faster, both and in accordance with the target and standards of college so that the college will get additional value for university accreditation. This means that the performance of lecturers and college performance as a whole can be achieved. The results of this study supported by Wardhana & Sasono (2015), which states that motivation, incentives and career development affect the performance of employees.

Career development has an insignificant effect on employee motivation and performance, because the initiatives given by lecturers are more often not supported by superiors or fellow lecturers or management support so that lecturers become unmotivated or lazy to do career development and choose only focus on teaching activities and knowledge transfer on campus. This has an impact on the decreasing performance of lecturers and overall college performance. Research conducted by Lestari (2015) support this research because the results of his research mentioned that there is a significant positive relationship between career developments with the provision of incentives given to employees.

The motivation of the lecturers in the UMSU university is good enough and has a passion that wants to explore its potential as good as possible although sometimes there is often a decrease due to incentives that are not in accordance with expectations, the element of subjectivity of the superior and the limited facilities felt by the lecturers in support of maximum performance achievement. So it is known that the motivation has an influence on the performance of the lecturers who served in UMSU. Motivation proved to act as an intervening variable mediating the relationship between giving incentives and career development to the performance of lecturers at UMSU. This research is supported by Dieleman et al., (2006) which mentions that career development and performance appraisal are important factors for the development of employees. There is a role of motivation in both activities so it can encourage the spirit of the employees to improve career and performance for the better.
Conclusions
Incentives have a positive and significant effect on the motivation and performance of the lecturers in UMSU. Development of career has no significant effect on the motivation and performance of the lecturers who served in UMSU. The motivation of the lecturers is also known to have a significant effect on the improvement of the performance of the lecturers at UMSU. So the motivation is known as a variable that mediates the relationship between giving incentives and development performance with the achievement of maximum lecturer performance.

References