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The Influence of Incentives on Employee Performance at PT Perkebunan Nusantara XIV Makassar

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ABSTRACT

Employee performance is an important factor in supporting organizational effectiveness and achieving institutional objectives. Incentives are considered one of the factors that can encourage employees to improve their performance. This study aimed to determine the effect of incentives on employee performance at PT Perkebunan Nusantara XIV Makassar. The study employed a quantitative research approach. The data were obtained from employees of PT Perkebunan Nusantara XIV Makassar through questionnaires using a Likert scale as the research instrument. Data collection was conducted through observation and questionnaire distribution, while both primary and secondary data were used as sources. The collected data were analyzed quantitatively using the Statistical Package for the Social Sciences (SPSS) version 25, including partial hypothesis testing to examine the effect of incentives on employee performance. The results showed that incentives had a positive and significant effect on employee performance. The partial hypothesis test indicated that the alternative hypothesis was accepted and the null hypothesis was rejected, confirming that higher incentives were associated with improved employee performance. These findings indicate that the provision of appropriate incentives can contribute to improving employee performance. The study provides practical implications for organizational management, particularly in developing incentive policies that support employee performance and organizational effectiveness.

1. Introduction

Human resource management is a fundamental component of organizational management because employees provide the knowledge, skills, creativity, effort, and commitment required to achieve organizational objectives. In increasingly competitive business environments, organizations are required not only to manage financial and technological resources effectively but also to ensure that their human resources are capable of delivering sustainable performance. Employee performance is therefore a critical organizational outcome because it reflects the extent to which employees successfully accomplish their assigned responsibilities and contribute to organizational goals. In this context, appropriate human resource practices, including compensation and incentive systems, are important managerial instruments for encouraging employees to improve their performance.

The relationship between incentives and employee performance has received substantial attention in contemporary human resource management research. Incentives are generally designed to connect employees' rewards with their contribution, achievement, or performance. From a managerial perspective, such arrangements are expected to strengthen employee motivation by providing additional rewards for the achievement of predetermined performance standards. Recent empirical evidence supports the relevance of this mechanism. For example, Sjahruddin and Anisyar (2021) found that higher incentives were associated with improved employee performance, while Istiqomah and Damayanti (2021) reported that incentives significantly influenced employee performance in an Indonesian organizational setting. Similarly, Fauziyyah and Alimuddin (2023)

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demonstrated that incentive provision was an important factor associated with employee performance. Evidence from other organizational contexts also indicates that performance incentives can contribute to improved employee performance (Mbukwana & Ayandibu, 2023).

At the international level, however, the relationship between incentives and performance is more complex than a simple assumption that higher incentives automatically generate better performance. A meta-analysis by Chen et al. (2023), based on 108 independent samples involving 71,438 individuals, found a positive relationship between pay-for-performance and job performance. The study further demonstrated that the strength and nature of this relationship may depend on employees' intrinsic motivation and perceptions of distributive and procedural justice. This finding suggests that incentive systems can generate positive performance outcomes while simultaneously producing pressure that may influence employee behavior. Likewise, a systematic review of performance-based incentives found that the effectiveness of incentive schemes varied according to their design, implementation, and the nature of the performance outcomes being rewarded (Lin et al., 2022). Thus, incentives should be viewed not merely as additional financial compensation but as an organizational mechanism whose effectiveness depends on how it is structured and perceived by employees.

Recent research also indicates that the design and clarity of incentive systems are important considerations. Zhao and Liu (2024), for example, found that excessive complexity in performance-pay systems could weaken the connection between employee performance and financial rewards because employees may have difficulty understanding how their work translates into incentive payments. Their findings demonstrate that incentive effectiveness depends not only on the existence or amount of incentives but also on whether employees can clearly recognize the relationship between their performance and the rewards they receive. This perspective is particularly relevant for organizations that employ diverse categories of employees and operate through complex operational structures.

The Indonesian context provides an important setting for examining this relationship. Indonesian organizations operate in an increasingly competitive environment in which improvements in employee productivity and performance are essential for maintaining organizational effectiveness. Previous Indonesian studies have generally reported a positive association between incentives and employee performance. For instance, Sjahruddin and Anisyar (2021) demonstrated that incentives were among the determinants of employee performance, while Haryoto et al. (2023) reported that incentives contributed significantly to employee performance in an Indonesian corporate context. More recent evidence from Kartika (2024) also showed that employee incentives significantly influenced employee performance, both directly and indirectly through work motivation. These findings reinforce the importance of incentives as a human resource management instrument while simultaneously indicating that organizational context remains important in explaining their effectiveness.

Despite the growing body of research, a contextual gap remains. Much of the recent empirical literature has examined incentive-performance relationships in banking, financial services, health care, transportation, retail, or public-sector organizations. Relatively limited attention has been directed toward large plantation and agribusiness organizations, particularly state-owned plantation enterprises operating in Eastern Indonesia. This context is important because plantation organizations typically involve diverse operational and non-operational employees, different job responsibilities, performance expectations, and organizational structures. Consequently, findings from other sectors cannot necessarily be generalized directly to plantation enterprises. In addition, although previous studies have established a generally positive relationship between incentives and employee performance, the empirical evidence remains context-dependent, reinforcing the need for organization-specific investigation.

This study addresses this gap by examining the effect of incentives on employee performance at PT Perkebunan Nusantara XIV Makassar. The organization is particularly relevant as an empirical setting because PT Perkebunan Nusantara XIV is a subsidiary of the PTPN III plantation holding company and focuses on agribusiness activities in

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Eastern Indonesia. The company manages strategic plantation commodities, including palm oil, sugarcane, and rubber, and emphasizes the development of professional and prosperous human resources as part of its organizational mission. In its organizational practice, incentive policies are implemented for employees in both operational and non-operational functions to encourage improved work performance. This organizational setting provides an appropriate context for examining whether incentives are empirically associated with employee performance.

The specific research problem addressed in this study is whether the provision of incentives has a positive and significant effect on employee performance at PT Perkebunan Nusantara XIV Makassar. Accordingly, the objective of this study is to empirically examine the effect of incentives on employee performance at PT Perkebunan Nusantara XIV Makassar using a quantitative approach. The study focuses specifically on the direct relationship between the incentive variable as the independent variable and employee performance as the dependent variable.

Theoretically, this study contributes to the human resource management literature by providing additional empirical evidence concerning the incentive-performance relationship in the context of an Indonesian plantation enterprise. The study also provides contextual evidence that can be compared with findings from other organizational sectors and countries, particularly given the continuing debate regarding the conditions under which performance-based incentives are effective. Practically, the findings can assist organizational management in evaluating incentive policies and designing reward mechanisms that are aligned with employee performance and organizational objectives. The study may also provide evidence for management in determining whether incentive provision can function as an effective instrument for strengthening employee performance.

The novelty of this study lies primarily in its empirical context: it examines the incentive-performance relationship within PT Perkebunan Nusantara XIV Makassar, a plantation and agribusiness organization operating in Eastern Indonesia. By focusing on this relatively underexamined organizational setting, the study extends existing empirical evidence beyond commonly investigated sectors and provides organization-specific evidence concerning the effectiveness of incentives in supporting employee performance.

2. Literature Review

2.1 Conceptual and Theoretical Foundations

2.1.1 Human Resource Management

Human resource management represents an integrated organizational function concerned with managing employees as strategic resources. It encompasses practices related to the utilization, development, evaluation, compensation, and maintenance of employees to support organizational objectives. In the context of the present study, human resource management is particularly relevant because incentive policies constitute one of the mechanisms through which organizations recognize employee contributions and encourage desired work outcomes. The importance of human resource management is closely related to employee performance because organizational objectives are ultimately achieved through the activities and contributions of individuals. Contemporary human resource management increasingly emphasizes practices that align employee behavior with organizational objectives while simultaneously supporting employee motivation and well-being. Accordingly, incentive systems can be positioned as an important component of human resource management because they connect employee contributions with additional rewards. The conceptual foundation of the present study is therefore based on the logic of performance-related compensation. Incentives represent additional compensation associated with employee contribution or achievement beyond regular salary and wages. This perspective is consistent with the broader concept of pay-for-performance, in which part of employee compensation is contingent upon individual or organizational performance. Recent evidence demonstrates that pay-for-performance is positively associated with job performance, although its effectiveness can vary depending on the characteristics of the incentive system and employees' perceptions of fairness and pressure (Chen et al., 2023).

2.1.2 Incentives

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Incentives refer to additional rewards provided by an organization to encourage employees to achieve performance standards or exceed expected levels of performance. In the original conceptualization of this study, incentives are regarded as a form of compensation beyond regular salary that can encourage employees to work more effectively and improve their performance. The underlying logic is that employees who perceive a clear relationship between their contribution and the rewards they receive have greater incentives to improve their work outcomes.

The source framework identifies six considerations in determining incentives: performance, length of service, seniority, employee needs, fairness and adequacy, and job evaluation. These dimensions indicate that incentive provision is not solely determined by the amount of additional payment. Rather, the incentive system should consider employee contribution, tenure-related factors, individual needs, perceived fairness, and the relative value of a position within the organization.

The six indicators are operationalized as follows. Performance refers to the relationship between the incentive received and the employee's work results. Length of service refers to the duration of an employee's service in performing assigned work. Seniority concerns employees' organizational tenure and accumulated experience. Needs reflect the extent to which incentives can support employees' basic needs. Fairness and adequacy concern the perceived correspondence between employee contributions and rewards and the competitiveness of incentives in relation to comparable organizations. Job evaluation concerns the relative value of a position as a basis for determining appropriate incentive levels.

Recent empirical research supports the relevance of incentives as a performance-related human resource practice. Chen et al. (2023), through a meta-analysis of 108 independent samples involving 71,438 individuals, found a positive relationship between pay-for-performance and job performance. The relationship was stronger for task performance than contextual performance. However, the authors also showed that pay-for-performance can simultaneously increase employee pressure, indicating that incentive systems may have both positive and potentially adverse psychological consequences depending on how they are implemented.

Empirical evidence from Indonesia also provides support for the incentive-performance relationship. Joannov and Ernanda (2022) found that incentives had a positive and significant effect on employee performance in a corporate setting. Muhammady and Setiyanto (2022) similarly found that incentives significantly affected employee performance in their study of employees in an educational institution. More recent evidence from Indonesia continues to indicate the relevance of incentives for employee performance, although the magnitude and significance of the relationship may differ across organizational contexts (Fajriastuti et al., 2024; Haryoto et al., 2023).

Thus, incentives can theoretically function as an organizational mechanism for directing employee effort toward desired performance outcomes. Nevertheless, their effectiveness depends on whether employees perceive the incentive system as sufficiently related to performance, fair, adequate, and appropriate to their responsibilities.

2.1.3 Employee Performance

Employee performance refers to the work results and work behaviors demonstrated by employees in performing their organizational responsibilities. Performance reflects the extent to which employees accomplish assigned tasks and contribute to organizational objectives. In the source framework, employee performance is conceptualized as the results and behaviors produced by employees according to their organizational roles during a particular period. The measurement of employee performance in this study follows five indicators: quality, quantity, timeliness, effectiveness, and independence. Quality refers to the standard and accuracy of work produced by employees. Quantity concerns the amount of work completed. Timeliness refers to the extent to which activities are completed within the established timeframe. Effectiveness concerns the extent to which organizational resources are utilized to achieve intended work outcomes. Independence reflects the employee's ability to perform work responsibilities with an appropriate level of autonomy and commitment. Recent empirical studies continue to employ comparable dimensions in assessing employee performance. Rambulangi et

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al. (2024), for example, examined employee performance through quality, quantity, timeliness, effectiveness, and work independence, demonstrating the continuing relevance of these dimensions in contemporary organizational research. Other recent research similarly emphasizes quality, quantity, timeliness, and effectiveness as important dimensions for evaluating employee performance (Syahputra et al., 2026). Employee performance is therefore treated in this study as a multidimensional construct reflecting not only the amount of work produced but also the quality, timeliness, efficient use of resources, and ability to perform responsibilities independently.

2.2 Review of Empirical Studies

Previous empirical research generally indicates a positive relationship between incentives and employee performance, although the strength and statistical significance of this relationship vary according to organizational context. At the international level, Chen et al. (2023) provided particularly strong evidence through a meta-analysis involving 108 independent samples and 71,438 individuals. Their findings showed that pay-for-performance was positively related to job performance, with a stronger relationship for task performance than contextual performance. Importantly, the study also demonstrated that the effect was influenced by employee intrinsic motivation, pressure, and perceptions of distributive and procedural justice. This evidence strengthens the theoretical expectation that incentives can improve employee performance while indicating that incentive design remains an important contextual consideration.

Lagarde and Blaauw (2021) also demonstrated that the framing of incentives can affect performance and effort. Their experimental study examined whether incentives framed as gains or losses influenced performance and the effort mechanisms through which performance changed. The finding suggests that incentive effects are not determined exclusively by the existence of rewards but may also depend on how incentive arrangements are structured and communicated.

Evidence from Indonesian organizations generally supports a positive incentive-performance relationship. Joannov and Ernanda (2022) found that incentives had a positive and significant effect on employee performance. Muhammady and Setiyanto (2022) likewise reported a significant effect of incentives on employee performance using quantitative analysis and partial significance testing. Bungatang (2022), examining employees at PT PLN (Persero) Rayon Karebosi in Makassar, also found that incentives had a positive and significant effect on employee performance.

However, the empirical evidence is not entirely uniform. Ariansy and Kurnia (2022) found that incentives had a positive but insignificant direct effect on employee performance, although incentives significantly affected job satisfaction. Similarly, Rachmawati and Frianto (2022) found that incentives had a positive but statistically insignificant effect on government employee performance. These findings indicate that the relationship between incentives and performance may depend on the characteristics of the organization, employees, incentive system, and performance measurement approach.

More recent Indonesian research continues to support the relevance of incentives. Haryoto et al. (2023) examined training, motivation, and incentives in relation to employee performance at PT BFI Finance Indonesia and included incentives as an important human resource factor in explaining performance. Fajriastuti et al. (2024) also found that incentive provision had a positive and significant effect on employee performance in the context of PT Telkom Akses Bogor. These studies reinforce the empirical relevance of incentive systems while also demonstrating that evidence remains distributed across different sectors.

Taken together, previous studies reveal a dominant positive pattern but also some inconsistencies. The positive findings support the expectation that incentives can encourage employees to improve their performance, whereas insignificant findings indicate that the relationship cannot simply be generalized across all organizational contexts. This inconsistency provides a basis for examining the relationship in a specific organizational and sectoral setting.

2.3 Identification of the Research Gap

The synthesis of previous literature reveals three principal gaps. First, there is a contextual gap. Recent studies concerning incentives and employee performance have been conducted in diverse

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settings, including financial services, educational institutions, government organizations, hospitals, utilities, and other service organizations. Comparatively limited recent evidence concerns plantation and agribusiness enterprises, particularly organizations operating in Eastern Indonesia. Therefore, the findings from other sectors may not fully represent the organizational conditions of plantation companies. Second, there is an empirical inconsistency gap. Although the majority of recent studies report positive effects of incentives on employee performance, some studies find positive but insignificant relationships. This inconsistency indicates that additional organization-specific evidence is required to determine whether incentives constitute a significant determinant of employee performance in a particular institutional setting. Third, there is a measurement and contextual gap. Contemporary research increasingly recognizes that incentive systems involve more than financial rewards and may be influenced by performance criteria, fairness, employee needs, tenure, and job characteristics. The present study retains the original conceptualization of incentives through performance, length of service, seniority, needs, fairness and adequacy, and job evaluation, while employee performance is measured through quality, quantity, timeliness, effectiveness, and independence. Accordingly, the present study addresses these gaps by empirically examining the direct effect of incentives on employee performance at PT Perkebunan Nusantara XIV Makassar. The study does not introduce additional mediating, moderating, or independent variables because its substantive focus is specifically on the direct relationship between incentives and employee performance.

2.4 Development of the Conceptual Framework

The conceptual framework of this study is based on the proposition that incentives provide an additional form of organizational reward intended to encourage employees to improve their work outcomes. When employees perceive that their contributions, responsibilities, tenure, needs, and performance are appropriately recognized through an incentive system, they are expected to demonstrate stronger work effort and better performance.

The independent variable, Incentives (X), is measured through six indicators: (1) performance, (2) length of service, (3) seniority, (4) needs, (5) fairness and adequacy, and (6) job evaluation. The dependent variable, Employee Performance (Y), is measured through five indicators: (1) quality, (2) quantity, (3) timeliness, (4) effectiveness, and (5) independence. The conceptual relationship can therefore be represented as follows:

Incentives (X) → Employee Performance (Y)

The direction of the relationship is expected to be positive because incentives are designed to encourage employees to increase their effort and achievement. This expectation is consistent with recent meta-analytic evidence showing that pay-for-performance is positively associated with job performance (Chen et al., 2023).

The original study does not provide a separate theoretical model, mediating mechanism, or moderating framework. Therefore, the conceptual framework is deliberately maintained as a simple direct-effect model involving one independent variable and one dependent variable. This preserves the substantive focus of the research rather than introducing additional constructs that were not included in the original study.

2.5 Hypothesis Development

The theoretical and empirical arguments indicate that incentives can function as a mechanism for encouraging employees to improve their work performance. Incentives provide additional rewards associated with employee contributions and performance, thereby creating an economic and motivational reason for employees to direct greater effort toward organizational objectives. Recent empirical evidence provides substantial support for this expectation. Chen et al. (2023) found a positive relationship between pay-for-performance and job performance across 108 independent samples, while several Indonesian studies have similarly reported positive effects of incentives on employee performance (Joannov & Ernanda, 2022; Muhammady & Setiyanto, 2022; Bungatang, 2022).

Although some studies have reported statistically insignificant effects (Ariansy & Kurnia, 2022; Rachmawati & Frianto, 2022), these inconsistencies strengthen rather than eliminate the need for empirical testing in specific organizational

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contexts. Given the theoretical rationale, the dominant empirical pattern, and the specific organizational context of PT Perkebunan Nusantara XIV Makassar, the study proposes the following hypothesis:

H1: Incentives have a positive and significant effect on employee performance at PT Perkebunan Nusantara XIV Makassar.

3. Research Methods

3.1 Research Design

This study employed a quantitative research design to examine the effect of incentives on employee performance at PT Perkebunan Nusantara XIV Makassar. A quantitative approach was considered appropriate because the study examined a predetermined relationship between an independent variable, namely incentives, and a dependent variable, namely employee performance, using numerical data collected through a structured questionnaire. The research followed a positivist-oriented approach in which the phenomenon was examined objectively through measurable indicators and statistical analysis. Data were collected from employees using a structured research instrument, and the resulting quantitative data were analyzed statistically to test the proposed hypothesis. The research design was therefore aligned with the objective of determining whether incentives had a positive and significant effect on employee performance. The study was conducted during a two-month data collection period, from May 2023 to July 2023. The research process included the preparation of the research instrument, data collection, instrument testing, statistical analysis, and interpretation of the findings.

3.2 Research Context and Setting

The study was conducted at PT Perkebunan Nusantara XIV Makassar, located at Jl. Urip Sumoharjo No. 72–74, Karuwisi Utara, Makassar, South Sulawesi, Indonesia 90111. The organization was selected as the research setting because it employs human resources in both operational and non-operational functions and applies incentive policies intended to encourage employee performance. The organizational context is relevant to the research problem because employee performance constitutes an important component of organizational effectiveness, while incentives represent one of the mechanisms used by the organization to encourage employees to achieve expected work outcomes. The study therefore focused specifically on employees of PT Perkebunan Nusantara XIV Makassar and examined the relationship between the incentives received by employees and their performance. The research context was limited to the employees and organizational environment of PT Perkebunan Nusantara XIV Makassar. Consequently, the findings primarily describe the incentive-performance relationship within this particular organizational setting.

3.3 Population and Sample / Research Participants

The target population consisted of all employees of PT Perkebunan Nusantara XIV Makassar, totaling 140 employees. The population was defined as the complete group of employees possessing characteristics relevant to the research problem. The sample was determined using the Slovin formula with a margin of error of 10%. With a population of 140 employees and a margin of error of 10%, the calculation was: The resulting sample size was 58.33 respondents, which was rounded to 59 respondents. Thus, the study involved 59 employees of PT Perkebunan Nusantara XIV Makassar as research participants. The original research methodology did not specify a separate probability-sampling technique beyond the determination of sample size using the Slovin formula. Therefore, no additional sampling procedure is introduced in this study.

3.4 Data Sources and Data Collection

The study used quantitative data obtained from both primary and secondary sources. Primary data were obtained directly from PT Perkebunan Nusantara XIV Makassar through the distribution of questionnaires to employees participating in the study. The questionnaire was the principal instrument for obtaining respondents' perceptions concerning incentives and employee performance. Secondary data were obtained from PT Perkebunan Nusantara XIV Makassar and relevant organizational units or positions to complement the primary information required for the study. Secondary data were used to provide supporting information concerning the research context and

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organizational characteristics. Three data collection techniques were employed:

a. **Questionnaire.**
A structured, closed-ended questionnaire was distributed to respondents. Respondents selected one of the predetermined response categories for each statement. The questionnaire employed a five-point Likert scale.

b. **Observation.**
Observation was used to obtain information through direct observation and systematic recording of phenomena relevant to the research object. This technique enabled the researcher to observe the research setting and relevant organizational conditions directly.

c. **Documentation.**
Documentation was used to obtain supporting information from documents and records relevant to the research. This technique primarily supported the collection of secondary data.

The questionnaire used a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The scoring system was as follows:

Table 1. Likert scale

Score	Response Category
5	Strongly Agree
4	Agree
3	Less Agree
2	Disagree
1	Strongly Disagree

3.5 Measurement of Variables and Research Instruments

The study examined two variables: Incentives (X) as the independent variable and Employee Performance (Y) as the dependent variable. Both variables were measured using structured questionnaire items and a five-point Likert scale.

3.5.1 Incentives

Incentives were conceptualized as additional rewards provided by an organization to employees as recognition of their contribution and performance. In the original research instrument, the incentive variable was measured using six indicators adapted from Ayu and Sinaulan (2018):

a. Performance;
b. Length of service;
c. Seniority;
d. Needs;
e. Fairness and adequacy; and
f. Job evaluation.

Each indicator was measured using statements rated on the five-point Likert scale. The original conceptual framework explicitly identifies these six dimensions as the indicators used to measure incentives.

3.5.2 Employee Performance

Employee performance was conceptualized as the quality and quantity of work achieved by an employee in carrying out assigned responsibilities. In the original research instrument, employee performance was measured using five indicators based on Robbins as cited in Sopiah and Sangadji (2018):

a. Quality;
b. Quantity;
c. Timeliness;
d. Effectiveness; and
e. Independence.

These indicators were measured using the same five-point Likert scale. The original research instrument specifies these five dimensions as the measures of employee performance. The operationalization of the two variables is summarized below.

Table 2. The operationalization of the two variables

Variable	Code	Indicators	Measurement
Incentives	X	Performance; Length of Service; Seniority; Needs; Fairness and Adequacy; Job Evaluation	5-point Likert scale
Employee Performance	Y	Quality; Quantity; Timeliness; Effectiveness; Independence	5-point Likert scale

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Because the study's original instrument was developed using established indicators, the present methodological reconstruction retains the original sources rather than replacing the measurement dimensions with newer indicators. This is important to maintain consistency between the conceptual framework, questionnaire, and empirical analysis.

3.6 Data Analysis Techniques

The collected data were processed and analyzed using Statistical Package for the Social Sciences (SPSS) version 25. The analysis consisted of instrument testing, simple linear regression analysis, and hypothesis testing.

3.6.1 Validity Test

A validity test was conducted to determine whether each questionnaire item appropriately measured the construct it was intended to measure. Item validity was examined by correlating each item score with the total score of its respective variable. An item was considered valid when the corrected item-total correlation exceeded 0.30. Conversely, an item with a corrected item-total correlation below 0.30 was considered invalid.

3.6.2 Reliability Test

A reliability test was conducted to assess the internal consistency and stability of the research instrument. Reliability was assessed using Cronbach's Alpha through SPSS version 25. A construct was considered reliable when its Cronbach's Alpha coefficient exceeded 0.60. The original methodology also recognized 0.70 and higher as commonly used thresholds depending on the characteristics of the research and instrument.

3.6.3 Simple Linear Regression Analysis

Because the research model consists of one independent variable and one dependent variable, simple linear regression analysis was employed to determine the effect of incentives on employee performance. The regression coefficient was used to determine the direction and magnitude of the relationship between incentives and employee performance. A positive coefficient indicates that an increase in incentives is associated with an increase in employee performance.

3.6.4 Partial Hypothesis Test (t-test)

A partial t-test was employed to determine whether incentives individually had a statistically significant effect on employee performance. The hypothesis testing was conducted at a 5% significance level () with the degrees of freedom determined according to the sample size and number of estimated parameters. The decision rule used in the original study was:

a. If t-calculated > t-critical, the null hypothesis is rejected and the alternative hypothesis is accepted, indicating that incentives have a significant effect on employee performance.
b. If t-calculated < t-critical, the null hypothesis is accepted and the alternative hypothesis is rejected, indicating that incentives do not have a significant effect on employee performance.

The direction of the effect was interpreted based on the sign of the regression coefficient, while statistical significance was determined through the t-test.

3.7 Validity, Reliability, and Trustworthiness

Several procedures were applied to ensure the quality of the quantitative data. First, construct measurement validity was assessed at the item level using corrected item-total correlation. Items with coefficients greater than 0.30 were considered to demonstrate acceptable item validity under the criteria used in the original study. Second, instrument reliability was assessed using Cronbach's Alpha. A coefficient greater than 0.60 was considered evidence of acceptable internal consistency according to the methodological criteria specified in the original research. Third, the use of a standardized five-point Likert scale for all questionnaire items provided consistency in response measurement. The combination of validity testing and reliability testing was intended to ensure that the instrument generated data sufficiently consistent and appropriate for subsequent regression analysis. It should be noted that the original methodology did not report additional forms of validity assessment, such as confirmatory factor analysis, composite reliability, average variance extracted, or discriminant validity. Therefore, these procedures are not introduced retrospectively because doing so would imply

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analyses that were not actually performed in the original study.

3.8 Ethical Considerations

The research involved employees as human participants; therefore, the collection and use of questionnaire responses required appropriate attention to research ethics. In particular, participation should be voluntary, respondents' identities and individual responses should be treated confidentially, and information obtained from respondents should be used solely for research purposes. However, the original methodology provided no specific information regarding institutional ethical approval, an ethics committee reference number, written informed consent, or a formal data-protection protocol. Therefore, these elements cannot be reported as having been obtained unless they are supported by the original research records. Accordingly, the methodological description is limited to the ethical principles that are applicable to the questionnaire-based research design and does not claim the existence of an ethical clearance or approval that is not documented in the source material.

3.9 Research Procedure

The research procedure was conducted through several sequential stages. First, research preparation was undertaken by identifying the research problem, determining the research variables, developing the conceptual framework, formulating the hypothesis, and preparing the questionnaire based on the selected indicators. Second, research setting and participants were determined. The study was conducted at PT Perkebunan Nusantara XIV Makassar. The population consisted of 140 employees, from which 59 respondents were determined using the Slovin formula with a 10% margin of error. Third, data collection was conducted. Primary data were collected through the distribution of closed-ended questionnaires using a five-point Likert scale. Observation and documentation were also conducted to obtain supporting information and secondary data. Fourth, data preparation was performed. The completed questionnaires were organized and prepared for quantitative analysis. Responses were converted into numerical scores according to the predetermined Likert-scale scoring system. Fifth, instrument testing was conducted. The validity of questionnaire items was assessed using corrected item-total correlation, while reliability was evaluated using Cronbach's Alpha. Sixth, statistical analysis was performed. Following the validity and reliability assessments, simple linear regression was applied to examine the relationship between incentives and employee performance using SPSS version 25. Seventh, hypothesis testing was conducted. The t-test at the 5% significance level was used to determine whether incentives had a statistically significant effect on employee performance. Finally, the results were interpreted in relation to the research objective and hypothesis concerning the effect of incentives on employee performance at PT Perkebunan Nusantara XIV Makassar.

3.10 Methodological Limitations

Several methodological limitations should be acknowledged. First, the study employed a cross-sectional quantitative design, with data collected during the May–July 2023 research period. Consequently, the analysis primarily captures the relationship between incentives and employee performance at the time of the study and does not establish how the relationship may change over a longer period. Second, the research focused on one organization, namely PT Perkebunan Nusantara XIV Makassar. The organizationally specific context limits the extent to which the findings can be generalized to employees in other plantation companies, industries, regions, or organizational environments. Third, the study used a sample of 59 employees from a population of 140 employees based on a 10% margin of error. Although the sample was determined systematically using the Slovin formula, the relatively limited sample size may restrict the statistical generalizability of the findings. Fourth, the principal research instrument was a self-reported questionnaire. Consequently, responses may be affected by individual perceptions or response tendencies. The use of observation and documentation provided complementary information, but the principal measurement of the two research variables remained questionnaire-based. Finally, the research model examined only the direct effect of incentives on employee performance. Other factors that may influence employee performance—such as motivation,

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leadership, organizational commitment, work environment, competence, training, or job satisfaction—were not included in the model. Their exclusion is consistent with the original research scope but represents an opportunity for future studies to develop a broader explanatory model.

4. Results and Discussion

4.1 Research Results

4.1.1 Sample Description and Descriptive Statistics

The study involved 59 employees of PT Perkebunan Nusantara XIV Makassar. In terms of gender, 27 respondents (45%) were male and 32 (55%) were female. Regarding age, 31 respondents (52%) were aged ≤25 years, 20 (34%) were aged 26–35 years, 6 (10%) were aged 36–45 years, and 2 (3%) were aged >46 years. Based on educational background, 14 respondents (22%) had completed senior high school, 6 (10%) held a Diploma III, 36 (62%) held a bachelor's degree, and 3 (5%) held a master's degree. In terms of tenure, 38 respondents (66%) had worked for ≤5 years, 13 (21%) for 5–10 years, 6 (10%) for 11–15 years, and 2 (3%) for ≥15 years.

Table 3. Respondent Characteristics

Characteristics	Category	n	%
Gender	Male	27	45
	Female	32	55
Age	≤25 years	31	52
	26–35 years	20	34
	36–45 years	6	10
	>46 years	2	3
Education	Senior High School	14	22
	Diploma III	6	10
	Bachelor's Degree	36	62
	Master's Degree	3	5
Tenure	≤5 years	38	66
	5–10 years	13	21
	11–15 years	6	10
	≥15 years	2	3

Source: Primary data processed using SPSS 25 (2023).

The descriptive statistics indicated generally high responses for both variables. For the incentive variable, the mean scores ranged from 4.22 to 4.59, with the highest mean recorded for item X.6 (4.59) and the lowest for X.4 and X.9 (4.22). For employee performance, mean scores ranged from 4.16 to 4.50, with Y.9 recording the highest mean (4.50) and Y.1 the lowest (4.16).

Table 4. Descriptive Statistics of Research Variables

Variable	N	Mean Range	Highest Mean	Lowest Mean
Incentives (X)	59	4.22–4.59	X.6 = 4.59	X.4 & X.9 = 4.22
Employee Performance (Y)	59	4.16–4.50	Y.9 = 4.50	Y.1 = 4.16

Source: Primary data processed using SPSS 25 (2023).

4.1.2 Data Quality and Preliminary Analysis

The validity test showed that all 12 incentive items and 10 employee performance items were valid. All calculated correlation coefficients exceeded the critical value of 0.256. Therefore, all questionnaire items were retained for further analysis.

Table 5. Validity and Reliability Results

Variable	Items	r-calculated	r-table	Cronbach's Alpha	Result

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Incentives (X)	12	0.373–0.663	0.256	0.776	Valid and Reliable
Employee Performance (Y)	10	0.368–0.724	0.256	0.685	Valid and Reliable

Source: Primary data processed using SPSS 25 (2023).

The reliability test produced Cronbach's Alpha values of 0.776 for incentives and 0.685 for employee performance. Both values exceeded the threshold of 0.60, indicating that the instruments were reliable.

4.1.3 Main Analytical Results

A simple linear regression analysis was conducted to examine the effect of incentives on employee performance. The results produced the following regression equation:

$$Y = 29.119 + 0.281X$$

The regression coefficient for incentives was 0.281, with a standardized coefficient (Beta) of 0.390, a t-value of 3.196, and a significance value of 0.002.

Table 6. Simple Linear Regression Results

Predictor	B	Std. Error	Beta	t	Sig.
Constant	29.119	4.634	–	6.284	0.000
Incentives (X)	0.281	0.088	0.390	3.196	0.002

Dependent variable: Employee Performance (Y).

Source: Primary data processed using SPSS 25 (2023).

The positive regression coefficient indicates that the estimated relationship between incentives and employee performance was positive.

4.1.4 Hypothesis Testing and Key Findings

The hypothesis was tested using a partial t-test at a significance level of 5% (). The analysis produced a t-calculated value of 3.196, which was greater than the t-table value of 2.002, with a significance value of 0.002 < 0.05.

Table 7. Hypothesis Testing Results

Hypothesis	Relationship	t-value	t-table	Sig.	Decision
H1	Incentives → Employee Performance	3.196	2.002	0.002	Accepted

Source: Primary data processed using SPSS 25 (2023).

Thus, H1 was accepted, indicating that incentives had a positive and statistically significant effect on employee performance at PT Perkebunan Nusantara XIV Makassar.

4.1.5 Visual Presentation of Results

The tables above provide the main visual presentation of the empirical results. Table 3 presents the demographic profile of the 59 respondents, while Table 4 summarizes the descriptive statistics of the incentive and employee performance variables. Table 5 presents the validity and reliability results, confirming that the research instrument met the specified criteria. Table 6 reports the simple linear regression coefficients, while Table 7 summarizes the hypothesis-testing result showing a significant positive effect of incentives on employee performance. These tables collectively present the empirical findings without introducing additional interpretation beyond the statistical results.

4.2 Research Discussion

4.2.1 Interpretation of Key Findings

The findings demonstrate that incentives had a positive and statistically significant effect on employee performance at PT Perkebunan Nusantara XIV Makassar. The simple linear regression analysis produced the equation Y = 29.119 + 0.281X, indicating that an increase in incentives was associated with an increase in employee performance. The incentive coefficient of 0.281 was positive, while the partial hypothesis test produced a t-value of 3.196, exceeding the critical value of 2.002, with a significance level of 0.002 <

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0.05. Therefore, the alternative hypothesis (Ha) was accepted and the null hypothesis (H0) was rejected. These findings directly answer the research objective by confirming that incentives constitute a significant factor associated with employee performance in the research setting. The result suggests that employees who perceive incentive provision as appropriate and aligned with their work contribution are more likely to demonstrate higher levels of performance.

4.2.2 Comparison with Previous Studies

The finding is consistent with previous empirical evidence indicating that incentives can contribute positively to employee performance. Istiqomah and Damayanti (2021), for example, found that incentives significantly affected employee performance at PT Tozy Sentosa Surabaya. Similarly, Ratnasari et al. (2021) reported that incentives had a significant effect on employee performance when examined alongside work achievement, discipline, and leadership style. The present finding is also consistent with Sjahruddin and Anisyar (2021), who found that higher incentives were associated with improved employee performance among employees of Bank BRI Sungguminasa. Irsyan et al. (2021) likewise reported a positive and significant effect of incentives on employee performance in a regional water company. More recent evidence further supports the positive relationship. Kuya and Kalei (2022) examined financial incentives among ferry-service employees in Mombasa County and identified incentives as an important factor in employee performance. Kartika (2024) also found that employee incentives significantly influenced employee performance, both directly and indirectly through work motivation. However, the literature does not produce completely uniform findings. Mfikwa et al. (2022), for instance, found that financial incentives had a positive but statistically insignificant contribution to employee performance in Iringa Municipal Council. This difference suggests that the effectiveness of incentives may depend on organizational characteristics, institutional context, incentive design, and employee perceptions of fairness and adequacy. The significant positive result obtained in PT Perkebunan Nusantara XIV therefore provides additional contextual evidence from an Indonesian state-owned plantation enterprise.

4.2.3 Theoretical Contribution

The findings theoretically reinforce the proposition that incentive-based rewards can function as an important mechanism for encouraging employee effort and improving work outcomes. Incentives provide employees with an additional form of compensation that is linked to their contribution or achievement. When employees perceive that additional rewards appropriately recognize their effort, they have greater motivation to perform their responsibilities effectively. The positive coefficient obtained in this study provides empirical support for the incentive–performance relationship. The result also complements recent research showing that incentive systems can influence employee outcomes, although their effects may vary according to organizational and contextual conditions. Dutta et al. (2021), for example, demonstrated that incentives form an important component of performance-management systems, while also showing that incentive effects can interact with other organizational mechanisms. Thus, this study contributes by providing empirical evidence that the incentive–performance relationship remains relevant within the specific institutional context of PT Perkebunan Nusantara XIV Makassar.

4.2.4 Practical and Policy Implications

The findings have several practical implications for the management of PT Perkebunan Nusantara XIV Makassar. First, the company should maintain and continuously evaluate its incentive system because the empirical results indicate that incentives are positively associated with employee performance. Second, incentive allocation should be perceived as fair, appropriate, transparent, and proportional to employees' contributions and responsibilities. Such an approach can encourage employees to maintain their work performance. Third, management should periodically evaluate whether existing incentive mechanisms remain aligned with employee performance and organizational objectives. Incentives should not merely function as additional compensation but should also serve as a performance-management instrument. The findings therefore support the continued development of incentive policies that recognize employee achievement while maintaining organizational sustainability.

4.2.5 Integration with the Research Gap

The study addresses an empirical gap concerning the relationship between incentives and employee performance in a specific Indonesian state-owned enterprise context. Previous studies have produced generally positive findings but have also reported inconsistent results in different organizational settings. For example, while several studies identified significant positive effects of incentives, Mfikwa et al. (2022) found an

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insignificant relationship in a local government context. By examining employees at PT Perkebunan Nusantara XIV Makassar, this study extends the existing evidence to the plantation-sector and state-owned enterprise context. The significant positive effect identified in this setting indicates that incentives remain an important organizational mechanism for supporting employee performance. Consequently, the study contributes contextual evidence to the broader discussion of incentive-based human resource management.

4.2.6 Acknowledgement of Study Limitations

The interpretation of these findings should consider the specific organizational context of PT Perkebunan Nusantara XIV Makassar and the relatively limited number of respondents. The study also focuses exclusively on incentives as the independent variable. Consequently, employee performance may additionally be influenced by other factors, such as motivation, leadership, work environment, competence, organizational commitment, and job satisfaction. Future research could incorporate these factors and examine whether they strengthen, mediate, or moderate the relationship between incentives and employee performance.

5. Conclusion

5.1 Summary of Key Findings

This study examined the effect of incentives on employee performance at PT Perkebunan Nusantara XIV Makassar. Based on the empirical analysis, incentives had a positive and statistically significant effect on employee performance. Therefore, the proposed hypothesis was supported. The findings indicate that appropriate incentive provision can encourage employees to improve their work performance.

5.2 Theoretical Contributions

The study contributes to the literature on human resource management by providing empirical evidence that incentives are an important factor associated with employee performance. The findings reinforce the theoretical proposition that reward mechanisms can encourage employees to increase their work effort and performance. In addition, the study extends empirical evidence concerning the incentive–performance relationship within the context of a state-owned plantation enterprise in Indonesia.

5.3 Practical and Policy Implications

For PT Perkebunan Nusantara XIV Makassar, the findings suggest that incentive policies should be maintained and improved by considering employee contributions, performance, fairness, and welfare. Appropriate incentives can be used as a practical mechanism to encourage employees to maintain and improve their performance. For employees, incentives can serve as an additional source of motivation to improve work performance. Employees are encouraged to maintain productivity, responsibility, and work quality while pursuing performance-based rewards.

5.4 Limitations of the Study

The findings should be interpreted within the specific context of PT Perkebunan Nusantara XIV Makassar. The study focused on the relationship between incentives and employee performance and therefore does not provide a comprehensive explanation of all factors that may influence employee performance. Consequently, the findings may have limited applicability to organizations with substantially different characteristics.

5.5 Directions for Future Research

Future research should examine other factors that may influence employee performance, including salary, employee competence, work motivation, leadership, organizational commitment, and work environment. Further studies could also involve broader organizational contexts and larger samples to provide more comprehensive evidence regarding the determinants of employee performance.

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