THE EFFECT OF WAGES, INCENTIVES, AND SOCIAL SECURITY ON EMPLOYEE PERFORMANCE IMPROVEMENT IN MULTIFINANCE COMPANIES IN CENTRAL JAVA

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Abstract: This study was made to see the effect of wage variables, incentive variables, and social security variables on the performance of employees of multifinance company XY in the city of Salatiga. The number of respondents who were used as research samples as many as 30 people with saturated sampling technique, ie all the population was used as respondents. Collecting data using a questionnaire by providing several questions related to the variables of wages, incentives, social security and employee performance. Measurement of research instruments using a Likert scale and data analysis using multiple linear regression. With the help of the SPSS 23 program, it is known that wages, incentives, and social security variables have a positive and significant influence on the performance variables of multifinance company XY employees in the city of Salatiga, this is evidenced by a significance value of less than 0.05. And simultaneously it is known from the F test, that the variables of wages, incentives, and social security have a significant influence of 0.000 on the employee performance variable.

Keywords: *Wages, Incentives, Social Security, Employee Performance*

1. Introduction

The development of science and technology demands that human resource management in a company or organization must have superior and better quality. Improving the quality of human resources is a mandatory requirement in the current era aimed at keeping up with the current developments, along with increasingly competitive business competition, the human resource factor is a priority factor that needs serious attention or concentration.

Human resources have a fairly important function, because in the absence of professional employees, the company cannot carry out its activities optimally. Although all the necessary modern equipment is available. Various things must be considered related to various provisions relating to the existence of HR as employees in the company enough to give a more or less influence on whether or not the goals of the company are achieved.

According to Sarwoto in Yusuf and Asyhari (2017) incentive is a means of motivation that is given as a stimulus intentionally to employees so that a great spirit can appear to be more accomplished in the company. Incentives can be in the form of semi-material, material and non-material, where it is appropriate to pay attention to its implementation because incentives are related to aspects of the lives of employees as human beings. The purpose of providing incentives is to differentiate the number of incentives based on the work

performance of each employee in order to increase work quality and productivity so that the company's goals are optimally achieved in a high level of competition and spur in maintaining the viability of each company.

Thus, each company continues to operate and fulfill all the needs of consumers. To carry out all operational activities within the company, it is necessary to have HR, because HR is one of the factors of production in determining the success of the company. In this case, knowledge is needed about how to direct employees properly so that they want to work as optimally as possible. The goal will be realized then it takes employees who excel, skilled, professional and responsive to the needs of the company. The research conducted by Yulinda and Marsella (Yulinda & Marsella, 2021) with the title the effect of social security and incentives on employee performance variables at PT. Matahari Department Store Tbk Bengkulu branch with 120 respondents. From the results of the tests that have been carried out, it can be concluded that the Social Security and Incentive variables have a partial or simultaneous effect on the performance of PT. Matahari Department Store Tbk Bengkulu branch.

2. Literature Review
2.1. Wages
The meaning of Article 1 paragraph 30 of Law no. 13 of 2003 concerning Employment Wages are stated/valued in the form of money and determined based on an agreement, law, and regulation, and are paid based on an employment agreement between the employer and the job recipient (Rahmanti & Hendarti, 2021). Wages are employee rights that are received and expressed in the form of money as compensation from employers (employers) to employees who are determined and paid based on a work agreement, agreement / applicable laws and regulations, including allowances for employees and their families for a job. work and/or services that have been or will be performed. Meanwhile, according to Poerwono's opinion in Watching (Tontong, 2021), defines that wages are the total amount that has been determined as a substitute for services that have been issued by employees including conditions.

2.4. Incentive
One of the efforts that a company can do to improve employee performance is by providing incentives to its employees. Giving incentives to employees has the aim of providing motivation so that employees can work more optimally. Incentives are a form of appreciation to employees (Yulinda & Marsella, 2021). Rewards are a critical component for determining strategic success in all types of organizations. Employees who are highly valued, tend to feel satisfied and will become employees with good performance. They also tend to stay in the organization for a long time and this will increase their competitive advantage. Incentive is an award that is basically an employee's work performance that is quite high or as a sense of recognition from the company on the work performance of its employees who have contributed to the company (Asmawi & Abdullah, 2017).

2.5. Social Security
According to Naning in Yulinda and Marsella (2021), the definition of social security is a guarantee against the possibility of loss of interest income (in part or all of it), increased expenses due to the risk of accidents, illness, death, old age, or other social risks. Meanwhile, according to Kertonegoro Yulinda and Marsella (2021), social security is defined as a

concept of welfare which is in charge of protecting all risks (social or economic) of the community and helping employees protect their welfare which has an impact on increasing employee performance.

2.6. Performance
The ability to act can be obtained by someone, it can be natural, innate or it can also be from the learning process. Performance is the achievement of a person's work achievement or a group in a job whose goals have been determined together beforehand. Although humans have the potential to behave in certain ways, some of these behaviors are only actualized at certain times. The potential for certain behavior is called ability, while the potential for expression is called performance.

Mangkunegara stated that performance is the result of work in terms of quality and quantity of achievement by an employee in carrying out his duties in accordance with his responsibilities and given to him (Mangkunegara, 2003). From this understanding, it can be said that performance is a description of the level of achievement of the implementation of an activity/program/policy in realizing the achievement of the goals, objectives, vision, mission of the organization.

Performance is the embodiment of work carried out by employees which is usually used as a basis for evaluating employees and organizations. Performance is said to be good, a step so that organizational goals are achieved, so efforts need to be made to improve performance. Many factors that affect the high and low performance of an employee. Furthermore, a person's performance is a measure of a person's success measured in carrying out tasks in his work (Yusuf & Asyhari, 2017).

3. Research Method
3.1. Research Sites
The location of this research is in the city of Salatiga and the object of the research is multifinance company XY.

3.2. Population and Sample
Population is the sum of all objects or individuals whose characteristics are expected or will be predicted (Subagyo & Djarwanto, 2012). The sample is part of the entire population whose characteristics will be studied, and is considered to be representative of the entire population (Subagyo & Djarwanto, 2012). The population of this research is all employees of multifinance company XY in Central Java as many as 30 people.

3.3. Sampling Technique
Taking into account the ease of data collection, the minimum requirement for sample adequacy in this study was 30 respondents. Saturated sampling, also known as census, is a sampling technique in which a sample is drawn from the entire population (Sugiyono, 2018).

3.4. Data Types and Sources
The data used in this research is qualitative in the form of responses from respondents to several research variables. The data that has been obtained through the questionnaire will be quantified using a Likert scale with an assessment of the answer choices as follows: strongly agree (score 5) to strongly disagree (score 1). Sources of data come from primary data

(respondents' questionnaire answers) and secondary data (various theories, results of previous research, articles or research journals).

3.5. Data Analysis Technique

In this study, the data analysis method used multiple linear regression analysis. Where multiple linear regression analysis is used to determine the direction and how much influence the independent variable has on the dependent variable (Ghozali, 2016).

3.6. Hypothesis

The hypotheses that can be formulated in this study are as follows :
   a. H1: It is suspected that the wage variable has a positive and significant effect on employee performance at multifinance company XY in Salatiga.
   b. H2: Social security has a positive and significant effect on employee performance at multifinance company XY in Salatiga.
   c. H3 : Social security has a positive and significant effect on employee performance at multifinance company XY in Salatiga.
   d. H4: It is suspected that the variables of wages, incentives and social security simultaneously have a positive and significant effect on employee performance at multifinance company XY in Salatiga

3.7. Framework of Thinking

Based on the existing theory in this research and studies of previous research, the framework of thought in this research can be described as follows :
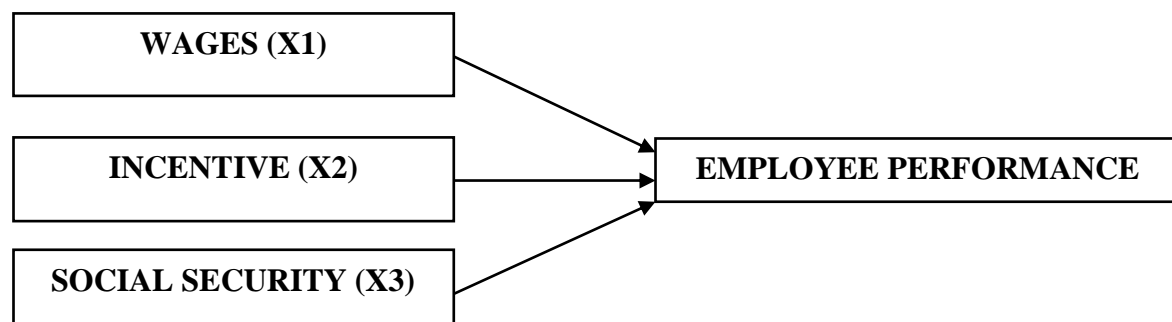

Image 1. Research Thinking Framework

4. Results and Discussion
4.1. Validity Test

Test the validity of the results can be seen below :

Table 1.
Validity Test Results

Indicator	RCount	RTable	Information
Wages	0.767	0.361	Valid
	0.841	0.361	Valid
	0.871	0.361	Valid
	0.880	0.361	Valid
Incentive	0.656	0.361	Valid
	0.895	0.361	Valid

Indicator	RCount	RTable	Information
	0.778	0.361	Valid
	0.920	0.361	Valid
Social Security	0.748	0.361	Valid
	0.693	0.361	Valid
	0.710	0.361	Valid
	0.917	0.361	Valid
Employee Performance	0.594	0.361	Valid
	0.708	0.361	Valid
	0.606	0.361	Valid
	0.830	0.361	Valid

Source : Data processed in 2022 with SPSS 23

4.2. Reliability Test

Reliability test was conducted to determine the value of Cronbach Alpha. The instrument is said to be reliable if the Cronbach Alpha value is more than 0.60 (Ghozali, 2016). The following are the results of the reliability test in this study :

Table 2.
Reliability Test

Variabel	Cronbach's Alpha	Critical Value	Keterangan
Upah	0.931	0.60	Reliabel
Insentif	0.905	0.60	Reliabel
Jaminan Sosial	0.884	0.60	Reliabel
Kinerja Karyawan	0.840	0.60	Reliabel

Source : Data processed in 2022 with SPSS 23

4.3. Multiple Linear Regression Analysis

To determine the effect of Wages (X_1), Incentives (X_2), Social Security (X_3), and Employee Performance (Y) variables using multiple linear regression analysis method. The results of multiple linear regression testing can be seen as follows:
Based on the table, the following multiple linear regression equation is obtained :

$$Y = 1{,}611 + 0{,}440X_1 + 0{,}338X_2 + 0{,}277X_3 + e$$

Based on the above data regression equation, it can be seen that:
   a. The constant value of 1.611 states that if the variable value of wages, incentives, and social security is equal to zero, then the value of employee performance is 1.611.
   b. The coefficient value of the wage variable is 0.440, indicating that every change in 1 unit of wages will increase employee performance by 0.440.
   c. The coefficient value of the incentive variable is 0.338, indicating that every change in 1 incentive unit will increase employee performance by 0.338.
The value of the social security variable coefficient of 0.277 indicates that every change in 1 social security unit will increase employee performance by 0.277.

4.4. Simultaneous Test (F_{test})

The F test shows whether all independent variables included in the regression model have a simultaneous effect on the dependent variable. Simultaneous test results (F-Test) can be seen a significance value of 0.000 or less than 0.05 which shows that the variables of wages, incentives and social security simultaneously affect employee performance. It can be seen

that the F-count value of 15.505 is greater than the F-table of 2.92, so it can be concluded that the variables of wages, incentives and social security simultaneously have a significant effect on the performance of multifinance XY employees.

4.5. Partial Test (t_{test})
The results of the hypothesis test using the t test which was carried out to measure the relationship of the influence of the independent variable which was significant on the dependent variable. The results of the t test can be seen in the explanation below:
The ttable value is 2.056 and based on the results shown in table 3, it is known that:
 a. The wage variable (X1) has a tcount value of 3.243 which is greater than ttable 2.056 and has a significance value of 0.003 or less than 0.05 and it can be concluded that the wage variable has a significant influence on employee performance.
 b. The incentive variable (X2) has a tcount value of 2.424 which is greater than ttable 2.056 and has a significance value of 0.023 or less than 0.05 and it can be concluded that the incentive variable has a significant effect on employee performance.
 c. The social security variable (X3) has a tcount value of 2.237 which is greater than ttable 2.056 and has a significance value of 0.034 or less than 0.05 and it can be concluded that the social security variable has a significant influence on employee performance.

4.6. Coefficient of Determination Test (R^2)
Based on the results of the analysis of the value of the coefficient of determination (R Square) in multiple linear regression which is used to determine the contribution of the independent variable to the dependent variable which can be seen based on the value of R Square. The value of R Square in this study is 64.1%, which means that 64.1% of changes in employee performance variables can be explained by variations in changes in wages, incentives and social security factors, while the remaining 35.9% is explained by other unobserved factors.

4.7. Discussion of Research Results
 a. The Influence of Wage Factors on Employee Performance
   From the results of the study and data obtained from collecting questionnaires on all respondents of employees of multi-finance company XY in the city of Salatiga, it can be seen if the wage factor has a significant effect on employee performance. The results can be proven by partial testing which is known that the t-count of wages is 3.243 which is greater than t-table of 2.056 with a significance value of 0.003 which is less than 0.05. The results are not much different from research from Rahmanti and Hendarti (2021), where the wage variable has a significant influence on the work productivity of administrative staff employees at Sebelas Maret University Hospital, Surakarta.
 b. Influence of Incentives on Employee Performance
   From the results of the study and data obtained from collecting questionnaires on all respondents of employees of multifinance company XY in the city of Salatiga, it is related to the incentive variable and it can be seen if the incentive factor has a significant effect on employee performance. The results can be proven by partial testing which is known that the incentive tcount value of 2.424 is greater than ttable of 2.056 with a significance value of 0.023 which is smaller than 0.05. The research results from Yulinda and Marsella (Yulinda & Marsella, 2021) also prove that the Incentive variable has a partial and simultaneous influence on the employee performance variable of PT. Matahari Department Store Tbk. Bengkulu branch.

c. The Influence of Social Security Factors on Employee Performance

From the results of the study and data obtained from collecting questionnaires on all respondents of employees of multifinance company XY in the city of Salatiga related to social security variables and it can be seen if social security factors have a significant effect on employee performance. The results can be proven by partial testing which is known that the tcount value of social security is 2.237 which is greater than ttable of 2.056 with a significance value of 0.034 which is less than 0.05. These results are in accordance with the research conducted by Dewi, Siahaan and Purba (2022), where the social security variable has a positive and significant influence on the employee performance variable in the administration division of PT. Auto Padu Kuala Tanjung Batubara.

5. Conclusion and Suggestion

5.1. Conclusion

Based on the results of the research analysis above, it can be seen that the results can answer the objectives to be sought, namely: a. Wages have a positive and significant influence on employee performance; b. Incentives have a positive and significant effect on employee performance; c. Social security has a positive and significant effect on employee performance; d. The variables of wages, incentives and social security simultaneously have a positive and significant effect on employee performance

5.2. Suggestion

Suggestions that can be conveyed in this research are as follows: a. Based on data analysis of the three independent variables (X1, X2 and X3) namely wages, incentives and social security have a positive and significant impact on the dependent variable (Y) namely employee performance, so that these three variables must be maintained and need to be improved and b. It is very necessary for other variables to be appointed other than those observed in this study which are adapted to field conditions and related theoretical foundations

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