

The Effect of Providing Incentives, Task Complexity, and Internal Control on Employee Performance

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Abstract

A successful company is influenced by several internal factors, one of which is the performance of qualified employees. Human resources contribute to the charge of corporate goals. By this, it is important for companies to improve and manage their human resources as well as possible. This study aims to determine how the influence of incentives, task complexity, and company internal control on employee performance. The research method is to use literature review analysis. Our findings show that providing stimulation to employees has a positive effect on employee performance, task difficulty has a significant effect on employee performance, and the company's internal control has a positive effect on employee performance.

Keywords: Employee Performance; Incentives; Task Complexity; Internal Control

INTRODUCTION

Nowadays, many companies are experiencing concerns about business competition as more and more competitors and new innovations emerge. Companies are required to provide maximum results to maintain their business because if a company cannot compete in the business world, then the company will of course be left behind by other companies that are more developed.

A successful company is based on several internal factors, one of which is the performance of qualified employees. Human resources in the company contribute a lot to achieving company goals because human resources are an important part of the company in carrying out every activity of the organization's business operations. So, it is important for companies to improve and manage the human resources they have as best as possible to realize the vision and mission of the company or organization.

Efforts or endeavors that can be made by a company so that its human resources can make an optimal contribution to achieving organizational goals, namely by providing incentives to every employee who makes the best contribution to the company so that

employees will be motivated to improve their performance for the company. Providing incentives to employees is the most effective step that a company can take to improve employee performance because employees will assume that the company pays attention to employees so that employees will give their best effort to the company. To achieve quality employee performance, company management has the responsibility to manage human resources so that the quality of employee performance remains good.

Other factors that can influence the increase or decrease in employee performance apart from providing incentives are the complexity of the tasks they face and the internal controls within the company. Task complexity is one of the factors that can influence employee performance in this research. Task complexity refers to the number and range of tasks given which makes the task confusing and difficult to understand and involves limited knowledge or individual ability to perform the task (Yustrianthe, 2012). The large amount of information that must be processed in complex work steps in completing tasks shows the complexity of the tasks that workers must face. Therefore, giving complex and complicated tasks to employees in providing influence causes employees to become inconsistent and irresponsible.

The internal control system is also a factor that can influence employee performance. Internal control implemented in the company by management will influence employee performance to be more effective. This internal control is very necessary for companies because the more optimal the level of control implemented by the company, the higher the level of employee performance will be. Therefore, internal control is effective and efficient in achieving the company's vision/mission. It can be concluded that this internal control can influence the performance of staff, where the internal control component has an important relationship, so the company needs to pay better attention to it (Taradipa, 2015).

LITERATURE REVIEW

Incentives

Incentives are compensation given by a company to its employees as a gift or remuneration for the contribution the employee has made to the company. Incentives are a form of reward given to employees outside of the wages or basic salary that employees receive (Sumbangsih & Malta, 2013).

Incentives itself are factors that can provide motivation for employees to do their work better, so that they can create quality employee performance. Incentives are a form of reward that is linked to employee performance assessment (Anggriawan et al., 2015). According to Kusuma, et al (2015) incentives are defined as a nominal amount of money that employees receive from the leadership of an organization or company with the aim of enabling employees to work with high achievement and motivation to realize organizational goals. Providing incentives is intended to provide encouragement and motivation to employees to improve their performance in the company. Handoko and Waluyo (2016) argue that providing incentives is one of the main things that companies need to pay attention to, because by providing incentives for employees, employees will feel motivated to always provide improvements to the quality of their work.

Task Complexity

Task complexity can be defined as tasks that are difficult to understand, unstructured and confusing (Sanusi in Cecilia, 2007). The meaning of task complexity is also based on a person's internal view of the level of complexity of the task they are carrying out based on the characteristics of the task, generally and specifically (Bonner and Sprinkle, 2002). According to Surtikanti and Sunarya (2015) task complexity is defined as the variety and level of difficulty of work, especially in the form of pressure on the mental and psychological state of the individual doing the work.

Within the scope of work, someone will be motivated to carry out an action which they believe is capable of achieving the goals they hope for. If an employee is given a task with low complexity, it will cause the employee to direct greater effort or effort in completing the task. On the other hand, employees who have a high level of complexity will cause them to reduce effort or effort in the process of completing their tasks, which will affect the resulting decrease in performance (Parjanti, et al. 2014). In this research, the definition of task complexity is defined as a complex task where the task consists of different parts that are related to each other.

Internal Control

Internal control from company management will have a good influence on employee performance. This internal control is needed by every company so that the company's operational performance can run effectively and efficiently in realizing the goals or vision and mission that the company wants to achieve.

Internal control can be defined as a process that is established and influenced by parties who have responsibility for company management, governance, and other parties in providing guarantees for the achievement of organizational goals related to operational effectiveness and efficiency, compliance with applicable laws and regulations, and reliability. on company financial reporting (Gamage et al, 2018).

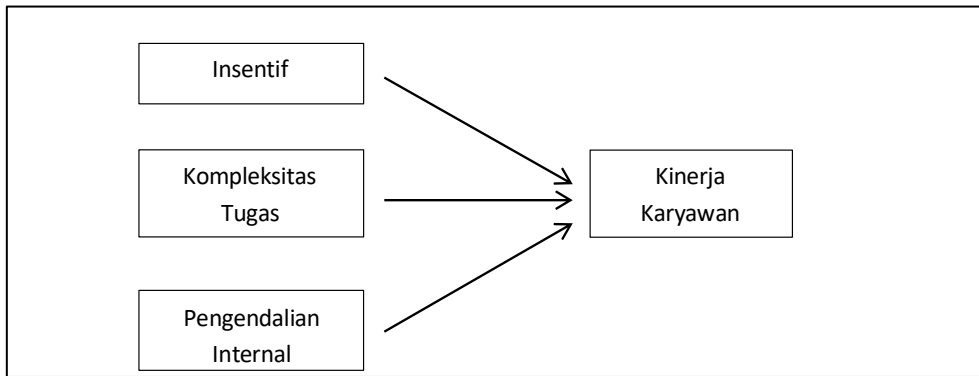
Companies must be careful about all the risks they will face in the future. By assessing risks in control, everyone in the organization will try to improve their performance in anticipating risks that might occur. Likewise, information in internal control can have a good impact on improving employee performance in the company.

Performance

Performance is a company's achievement of success towards predetermined organizational goals. Sudarma (2012) stated that performance is a result or achievement obtained from an organization, where these results are profit oriented and non-profit oriented which are produced by the company during a period of time.

Gong and Ferreira (2014) explain that performance is a description of a person's level of achievement in realizing an activity in order to realize the goals, objectives, and vision and mission of the organization. Thus, performance is the result of work achieved by individuals in completing tasks carried out as a form of achieving organizational goals.

Figure 1. Conceptual Framework



RESEARCH METHODS

The research uses qualitative analysis with a literature review approach. This research uses a literature review analysis method, where this literature review analysis is an analysis that aims to analyze the comparison of existing theories with previous theories in the literature review. The literature used in this research is literature from research results or studies presented in scientific articles.

RESULTS AND DISCUSSION

The Effect of Providing Incentives on Employee Performance

Oktaria (2020) in his research found that there was a real influence between the incentives given to employees on employee performance at the Honda Utama Putra dealer in Pangkalan Bun. The results of this research show a linear regression analysis test and obtained a significance value of 0.027. Research conducted by Istikomah (2020) also obtained the same results, where incentives had a positive and significant effect on employee performance at CV. Lumintu Cirebon.

Likewise, the results obtained by Alfarizi (2022) from 30 samples collected and after testing the influence of incentive variables on employee performance, the results showed that there was a positive and significant influence between the two, where the direction of the positive influence obtained can be seen from the regression coefficient figure of 0.279 and the p-value is 0.43. Direction of relationship. The positive thing shown by the results of this research is that the higher the incentives provided by the company, the more influence it will have on employee performance.

Other research also found a significant influence between incentives on employee performance, such as the results found by Risnawati and Retnoningsih (2020). The positive influence of providing incentives on employee performance is due to the high incentives that employees receive from their companies, which will give rise to great motivation so that employees will be more productive at work. As employee work productivity improves, it will have an impact on employee performance and subsequently employee performance will also increase, so that the achievement of company goals can be realized.

There are several other researchers who have tested the effect of providing incentives on employee performance, including Alhudhorietal (2019) who tested employees of the Bungo Regency Livestock and Fisheries Service to find out whether there is an influence of incentives on employee performance. In the results of his research, results were found that showed that there was indeed a significant influence between providing incentives to employees. Sundari & Rifai (2020) also found that there is a positive and real relationship between incentives given to employees and individual performance.

The Effect of Task Complexity on Employee Performance

Dewi and Setiawan (2022) tested the effect of task complexity on the performance of finance employees at the Triatma Surya Jaya Foundation. Based on the results of partial tests carried out by researchers, it was found that the regression coefficient was -0.133 and the p-value reached $0.012 < 0.05$, which means that task complexity has a real influence on employee performance. The negative coefficient number (-0.133) has a meaning indicating that the task complexity variable has a negative influence or it can be said that the direction of the influence is in the opposite direction on employee performance, which means that the higher the level of employee task complexity, the employee performance will decrease, and vice versa. The less complex the task, the more employee performance will increase as well. This can happen because the high workload of employees causes a decrease in employee performance and if this is allowed to happen, it cannot be denied that it will cause severe stress for employees. Research conducted by Parhan and Kurni (2017) also found a negative and real influence on the task complexity variable and employee performance variables.

Agustini and Dwiranda (2017) conducted research to determine whether there was an influence of task complexity on employee performance, namely KAP auditors for Bali Province. From the results of the tests that have been carried out, it was found that there is a real negative influence between task complexity and auditor performance. This explains that the large complexity of tasks experienced by auditors will trigger a decrease in work results, so it is necessary to take an approach in providing guidance to auditors if they feel difficulties when facing the audit process.

Sunarka and Bakhtiar (2019) tested the impact of task complexity on CV employee performance. Build Primary Techniques. The results of partial tests conducted by researchers found that task complexity had a real influence on employee performance. This can be proven by obtaining a p-value of 0.001.

Other research also obtained similar results, such as research conducted by Parjanti, Kartika Hendra & Siti Nurlela (2014) regarding the impact of accounting information systems, task complexity and leadership style on employee performance. Based on the hypothesis testing that was carried out in this research, it was found that the task complexity variable had a real influence on employee performance with a significance value of 0.000.

The Effect of Internal Control on Employee Performance

Risnawati and Retnoningsih (2020) tested the effect of Internal Control on the success of Employee Performance, where in the results of hypothesis testing it was found that internal control had a real influence on employee performance as proven by the significance results reaching 0.000 (<0.05). This means that the existing control components at RSUD RAA Soewondo Pati have been successfully implemented.

Furthermore, the internal control applied by the hospital management has been implemented well and can have a good impact in increasing the effectiveness of employee duties. Research conducted by Maharani, et al. (2015) found the same results, namely that internal control has a significant influence on employee performance and the direction of the influence is positive.

Similar results were also found by Shoimah (2015) which showed that there was a positive and significant influence between the internal control variables on the dependent variable, so it can be said that employee awareness of the implementation of internal control is quite good in the company or place where they work. The more employees understand the control environment in their scope of work, the more employee performance will support the achievement of the organization's vision and mission

CONCLUSION

Based on a literature review that has been carried out on articles or previous research related to the influence of rewards, task complexity, and internal control on employee work results, it was found that rewards and internal control have a real effect and have a direct relationship on the dependent variable, namely employee performance. On the other hand, the task complexity variable has a real negative influence on employee performance

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