

# The Effect of Incentive, Training, and Career Development on Productivity of Pt. Pelita Cengkareng Paper's Workers

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# THE EFFECT OF INCENTIVE, TRAINING, AND CAREER DEVELOPMENT ON PRODUCTIVITY OF PT. PELITA CENGGKARENG PAPER'S WORKERS

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## ABSTRACT

- The development of science and technology requires companies to be able to make its employees more skilled and trained in their job. Companies are required to initiate training programs, incentives and career development for employees, with the training, incentives and career development make employees more confident and able to try to improve work productivity. The purpose of this research is to analyze the effect of incentives, training and career development on employee productivity PT. Pelita Cengkareng Paper. This research uses a quantitative approach with descriptive survey method. Data collected through against 151 employees as samples and 571 employees as the population with a non-probability sample technique using proportionate stratified random sampling. Data were analyzed using IBM SPSS version 22 to verify and prove the research analysis. Method of data analysis in this research is multiple linear regression analysis. The results of multiple regression analysis and t-test proved that incentives, training and career development significantly positive affect on work productivity. Career development variables are variables that most influence on the work productivity, so the recommended PT. Pelita Cengkareng Paper need to improve the quality of career development by giving employees the opportunity to participate in career development programs in the company. Keywords: Incentives, training, career development, work productivity

# I. INTRODUCTION

- Increasingly fierce economic situation requires the company to use good management system in order to improve labor productivity of its employees.
- Each company will improve its labor productivity if there is cooperation and good connection between its leader and workers.
- By improving labor productivity automatically will improve company productivity.
- Labor productivity is equal to work output of an employee; productivity output of an employee ought to give essential contribution for company seen from quality and quantity and is very beneficial for company now and later on with what the company's purposes will be achieved.

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- PT. Pelita Cengkareng Paper is one of industrial paper factory with capacity  $\pm 150.000$ , ton per year is produced at its factory in Tangerang and capacity  $\pm 350.000$ , ton is produced in Subang; so that the capacity numbers of PT. Pelita Cengkareng Paper is totally  $\pm 500.000$  ton per year. This company utilizes recycle process of scrap papers as the main material supplied from all over Indonesia, especially, Jakarta; and pulp is imported from some countries in Europe and Asia.


**Table 1**  
**Paper Production Numbers PT. Pelita Cengkareng Paper 2013-2015**

<i>Type of Industry</i>	<i>Production Capacity (Ton/year)</i>								
	<i>2013</i>			<i>2014</i>			<i>2015</i>		
	<i>Target</i>	<i>Realization</i>	<i>Percentage</i>	<i>Target</i>	<i>Realization</i>	<i>Percentage</i>	<i>Target</i>	<i>Realization</i>	<i>Percentage</i>
Kraft liner	90,000	51,998	57,77	90,000	53,313	59,23	90,000	16.113	17,90
Medium liner	40,000	125,695	+ 100	40,000	109,406	+ 100	40,000	98,051	+ 100
Semi coated duplex	20,000	5,545	27,73	20,000	5,377	26,88	20,000	3,320	16,6
Chipboard	7,000	3,526	50,37	7,000	4,105	58,64	7,000	2,279	32,55

*Source:* Production Department PT. Pelita Cengkareng Paper (2015).


## 2. THEORETICAL FRAMEWORK

- Incentive
- Training
- Career Development
- Labor Productivity

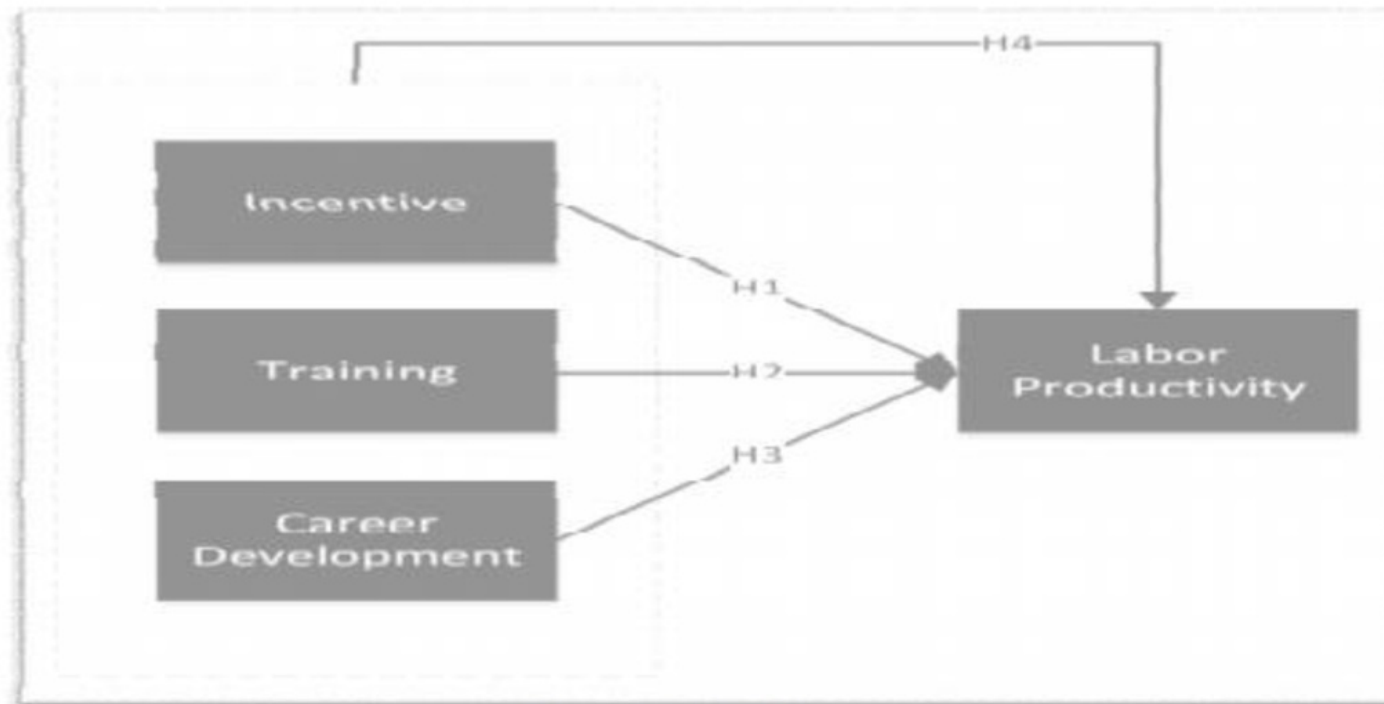
- 
- Influence of Incentive to Labor Productivity One the way is by giving incentive as a reward and appreciation of employees. Incentive significantly influences employees on finishing their job and survival their own life and family.
  - By giving low incentive will appear difficulties in recruiting and hiring professional workers. Yet, if the incentive is appropriate with employees work, so they will work hard to improve their productivity. Giving incentive both financial incentive and non-financial incentive and

- Influence of Training on Labor Productivity Training program is very influencing to improve labor productivity in an organization or company. Since employees' knowledge, skills, and creativity in working will positively affect themselves.
- By improving skills, knowledge, concept, and attitude on their duty through training program in a company can improve labor productivity.




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- Influence of Career Development on Labor Productivity Effort can be done by company to improve human resource and increasing labor productivity by arranging employees' career development.
  - Career development (e.g. promotion) is expected by every employee because employees can get their rights better than before both material such as increment of salary, facility improvement and so on and non-material such as social status, pride, and so on.

- Influence of Incentive, Training, and Career Development on Labor Productivity Company and management ought to determine objective to be reached and clear and it is determined ideally and challenging enough for employees. It means that objectives (working) in care of an employee should be appropriate with his ability.
- Yet, if the duty is beyond or lower employee's ability, so sincerity and labor productivity will decline. This will influence employees' ability to finish their job. Employees' incompetence in finishing their job will decline labor productivity.



**Figure 1: Framework**

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- **Hipotesis 1.**
  - **H1: Incentive influences labor productivity.**
  - **2. H2: Training influences labor productivity.**
  - **3. H3: Career development influences labor productivity.**
  - **4. H4: Incentive, training, and career development influence simultaneously labor productivity**

### 3. RESEARCH METHOD

- (a) Normality Test
- (b) Multicollinearity Test
- (c) Heteroscedasticity Test

## 4. RESULT AND DISCUSSION


### Correlation Matrix between Variables

**Table 5**  
**Correlation Matrix between Variables**

<i>Variable</i>	<i>Variable Dimension</i>	<i>Labor Productivity (Y)</i>					
		<i>Output (Y<sub>1</sub>)</i>	<i>Knowledge (Y<sub>2</sub>)</i>	<i>Cooperation (Y<sub>3</sub>)</i>	<i>Presence (Y<sub>4</sub>)</i>	<i>Initiative (Y<sub>5</sub>)</i>	<i>Loyalty (Y<sub>6</sub>)</i>
Insentif (X <sub>1</sub> )	Financial Incentive (X <sub>1</sub> -1)	,793	,240	,870	,479	,588	,744
	Non-Financial Incentive (X <sub>1</sub> -2)	,195	,359	,285	,555	,643	,438
	Social Incentive (X <sub>1</sub> -3)	,347	,250	,398	,575	,699	,667
Training (X <sub>2</sub> )	Skill (X <sub>2</sub> -1)	,400	,428	,475	,226	,167	,753
	Knowledge (X <sub>2</sub> -2)	,874	,069	,863	,255	,268	,808
	Attitude (X <sub>2</sub> -3)	,693	,396	,852	,437	,612	,527
Career Development (X <sub>3</sub> )	Individual Career Plan (X <sub>3</sub> -1)	,544	,501	,674	,625	,853	,467
	Institutional Career Management (X <sub>3</sub> -2)	,752	,182	,887	,590	,513	,694

## 5. CONCLUSION

- Incentive influences positively and significantly to labor productivity. Based on matrix and dimension, it is caused by many numbers of strong correlation dimensions.
- Training influences on labor productivity positively and significantly. Based on matrix between dimensions, it is caused by many numbers of strong correlation dimensions.
- Career development influences on labor productivity positively, significantly and dominantly.
- If there is an improvement of career development so labor productivity will improve as well. Simultaneously, incentive, training and career development influence on labor productivity

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- ✓ In order to improve labor productivity, a company needs to concern on three incentive dimensions such as financial incentive, non-financial incentive, and social incentive.
  - ✓ For next research, it should analyze and develop other factors which influence labor productivity improvement. Since, based on the result of this research, there are some other variables that influence labor productivity improvements that can be explore more in PT. Pelita Cengkareng Paper such as leadership style, labor satisfaction, and motivation which have not been discussed because the researchers limit the variables.



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