

ANALYSIS OF SALARY AND INCENTIVES ON LECTURERS' PERFORMANCE AT AL AZHAR UNIVERSITY MEDAN

Saidan Sany Lubis

Universitas Al Azhar, Indonesia.

Corresponding Email: saidansany@gmail.com

Received : 21 January 2025
Revised : 31 January 2025
Accepted : 20 February 2025

Published : 23 March 2025
DOI : <https://doi.org/10.54443/ijset.v4i4.714>
Publish Link : <https://www.ijset.org/index.php/ijset/index>

Abstract

This study aims to analyze the effect of salary and incentives on lecturer performance at Al Azhar University Medan. Lecturer performance is a major factor in improving the quality of education, which is influenced by various aspects, including financial compensation. This study uses a quantitative method with regression analysis techniques. The results of the study indicate that salary and incentives have a positive and significant effect on lecturer performance, both partially and simultaneously. This finding confirms that good compensation can increase lecturer motivation, productivity, and loyalty in carrying out their academic duties. Therefore, salary and incentive policies must be adjusted to the needs and expectations of lecturers in order to achieve optimal performance.

Keywords : *Salary, Incentives, Lecturer Performance, Compensation, Motivation*

Introduction

Currently, the term "performance" has many meanings, cannot be clearly defined, and is highly dependent on the situation. Human resources must be continuously developed to get quality work. Not only high quality, but also meet all the qualitative requirements required for the position, so that the work can be completed quickly. In other words, the minimum standard that must be met by a lecturer to succeed in his job is lecturer performance (Nasution, 2020) The performance of the lecturers above can hinder the work results that they will provide to the university. The company has the right and obligation to support employee contributions in achieving company goals, including providing compensation, a good work environment, and motivation. The amount of compensation reflects the value of the employee's work, and this can affect employee work performance, motivation, and job satisfaction if compensation is given (Suprianto, 2023).

Basically, people who work also want to earn money to meet their living needs. Thus, an employee begins to appreciate their hard work and shows more loyalty to the organization. To recognize their achievements, companies provide compensation to employees. To increase productivity, employees can be given compensation that encourages them to work harder. In fact, providing compensation is one way to improve employee performance. If compensation is given properly, employees will be more satisfied and will be more motivated to achieve their goals. The importance of compensation for employees is because the amount of compensation they receive will show value to them, their families, and society. The components of this compensation consist of Salary, Wages, and Incentives. Where salary is a component that is a fixed compensation that must be given by the company to employees based on the position or responsibility that the company has given to its employees, while wages and incentives are those given by the company to non-permanent employees, where wages will be given by calculating based on working hours or outside of work (output) while incentives are given outside of salary for their performance in achieving work.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Wages

Salary is compensation or fixed reward given by the company to employees. employees based on position, responsibility, and work agreement, which is usually paid monthly or annually. Salary is a reward in the form of money received by employees as a consequence of their position as an employee as an employee who contributes energy and thoughts in achieving company goals.

Incentive

Incentives are direct rewards paid to employees for their performance exceeding the specified standards. Incentives are another form of direct wages outside of wages and salaries which are fixed compensation, commonly called performance-based compensation. Incentives are a form of additional rewards given to employees as encouragement or motivation for achieving certain performance, such as exceeding predetermined targets.

Lecturer Performance

The definition of performance is the work results achieved in terms of quality and quantity by an employee in carrying out his duties and functions in accordance with the responsibilities given. Sihombing (2023) explains performance as the work results of a person or organization that must be achieved in terms of quality and quantity in accordance with certain responsibilities or functions. The benchmark for assessing an organization is the performance of the employees themselves. The form of employee performance that can be seen directly is seen from everything related to the work, position, or role of the organization. The work results in terms of quality and quantity achieved by employees in carrying out tasks and responsibilities are called performance. Performance is defined as the most important thing to be of concern to all organizations, both private and government. Good performance can increase satisfaction, both stakeholder organizations and shareholders. The requirements for achieving performance are reflected in the achievements produced (Pranogyo et al, 2021).

H1 : The Influence of Salary on Lecturer Performance

According to (Aprilia, Karnadi, & Tulhusnah, 2022) it is stated that there is a significant positive influence on performance, where a higher salary indicates greater confidence that employees have extraordinary abilities in their work. Therefore, the higher a person's salary, the better their performance. Likewise, according to (Ratnasari & Mahmud, 2020) who said that there is a positive and significant influence on employee performance.

H2 : The Influence of Incentives on Lecturer Performance

According to research opinion (Ratnasari & Mahmud, 2020) it is stated that incentives have a significant positive effect on performance, where employee performance will be motivated and good with the incentives given by the company to employees for the achievements or work targets that they have given to their employees.

There is a different opinion in the research conducted by (Kafi, Arief, & Soleha, 2023) which states that the rejection of the hypothesis regarding the relationship between incentives and performance results in incentives having no significant effect on performance.

H3 : The Influence of Salary and Incentives on Lecturer Performance

Although salary and incentives are very important, other elements, such as work environment, non-financial rewards, and work-life balance, also greatly affect lecturer performance. A combination of financial and non-financial compensation is more effective. Lecturer performance is significantly affected by salary and incentives, both in terms of motivation, productivity, and loyalty. However, its effectiveness depends on how the institution sets policies that are in accordance with the needs and expectations of lecturers.

- | | |
|------------------------------|------------------------|
| 1. Independent Variable (X1) | :Wages |
| 2. Independent Variable (X3) | :Incentive |
| 3. Dependent Variable (Y) | : Lecturer Performance |

RESEARCH RESULTS AND DISCUSSION

In this study, the F test is used to determine the level of significance of the influence of independent variables simultaneously on the dependent variable (Sugiyono, 2021). The t test is used to test the significance of the relationship between variables X and Y. Whether variables X1, X2, (compensation and work environment) really affect variable Y (Performance) separately or partially (Sugiyono, 2021).

H1: The results of the study found that the t-count value $>$ t-table where the value is $3.888 > 2.007$. Where the results show that the significance of Salary on Lecturer Performance is $0.00 < 0.05$. So it means that there is a positive influence of salary on lecturer performance significantly.

H2: The results of the study found that the t-count value $>$ t-table where the value is $7.650 > 2.007$. Where the

Saidan Sany Lubis

results show that the significance of Salary on Lecturer Performance is $0.00 < 0.05$. So it means that there is a positive influence of salary on lecturer performance significantly.

H3: For F test testing, the significance value must be < 0.05 and for the calculated f value

$> f_{table}$. Where the value is $92.46 > 3.18$. The level of significance is

< 0.05 where the significance value obtained is $0.00 < 0.05$. So the hypothesis is accepted where salary and incentives both have an effect on lecturer performance.

CONCLUSION

Based on the research results, the researcher can conclude that the following research questions can be answered:

1. The results show that salary has a positive and significant influence on lecturer performance.
2. The results show that Incentives have a positive and significant effect on Lecturer Performance.
3. The results show that Salary and Incentives simultaneously have a positive effect on Employee Performance.

REFERENCES

- Aprilia, D. D., Karnadi, K., & Tulhusnah, L. (2022). Pengaruh Gaji dan Insentif Terhadap Kinerja Karyawan Dengan Kepuasan Kerja Sebagai Variabel Intervening Pada PT. PBM Adhiguna Putera Kabupaten Probolinggo. *Jurnal Mahasiswa Entrepreneurship (JME)*, 1(8), 1618. <https://doi.org/10.36841/jme.v1i8.2208>
- Nasution, S. L. (2020). Pengaruh Kualitas Kerja Dan Lingkungan Kerja Terhadap Kinerja Karyawan Pada PT. Asam Jawa. *Jurnal Ecobisma*, 7(2), 88-94.
- Kafi, A. A., Arief, M. Y., & Soleha, S. (2023). Pengaruh Gaji dan Insentif Terhadap Kinerja Karyawan Dengan Kepuasan Kerja Sebagai Variabel Intervening Pada UD. DNL Kecamatan Banyuputih Kabupaten Situbondo. *Jurnal Mahaiswa Enterpreneur (JME)*, 2(10), 1434–1451.
- Ratnasari, I., & Mahmud, A. (2020). Pengaruh Gaji dan Insentif terhadap Kinerja Karyawan bagian produksi PT. Uniplastindo Interbuana Pandaan. *JAMIN : Jurnal Aplikasi Manajemen Dan Inovasi Bisnis*, 2(2), 66. <https://doi.org/10.47201/jamin.v2i2.53>
- Sugiyono, P. (2021). Metodologi Penelitian Kuantitatif, Kualitataif, Dan R&D (Edisi Ke-2). Bandung: Alfabeta, CV.
- Suprianto. (2023). Pengaruh Kompensasi dan Lingkungan Kerja terhadap Kinerja Pegawai di Universitas Muslim Indonesia. *Jurnal Manajemen Riset Inovasi*, 1(2), 221-238.

PICTURES, GRAPHS AND TABLES

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.887a	.787	.779	1.89028

- a. Predictors: (Constant), X2, X1
b. Dependent Variable: Y

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	660,814	2	330,407	92,469	.000a
	Residual	178,658	50	3,573		
	Total	839,472	52			

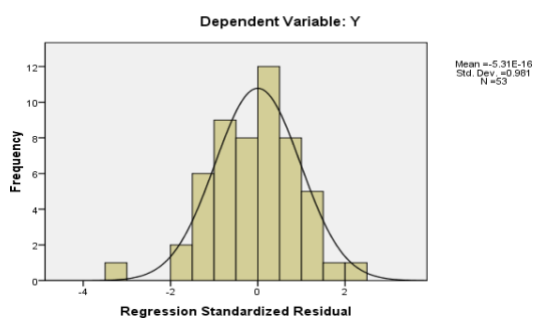
- a. Predictors: (Constant), X2, X1
b. Dependent Variable: Y

Coefficients^a

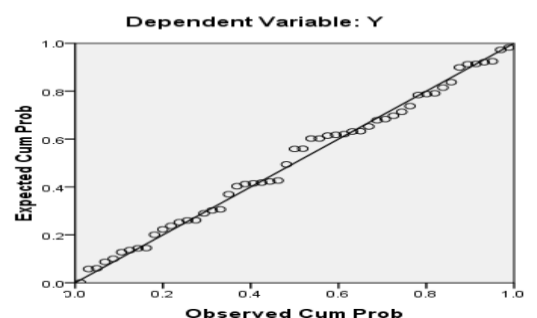
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2,087	1,657		1,260	.214		
	X1	.327	.084	.327	3.888	.000	.601	1,663
	X2	.628	.082	.644	7,650	.000	.601	1,663

- a. Dependent Variable: Y

Histogram



Normal P-P Plot of Regression Standardized Residual



Scatterplot

