The Influence Of *Overtime* And Incentives On Employee Performance At PT. Asam Jawa Medan

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ABSTRACT

The purpose of this study was to determine the effect of Overtime and Incentives on Employee Performance at PT Asam Jawa Medan. 47 respondents with saturated sampling technique using primary data and secondary data. The data analysis technique used is multiple linear regression. The results obtained overtime has a positive and significant effect on employee performance with a value of t (count)> t(table) (2.225> 2.015) with Sig 0.031 <0.05 H $_0$is rejected so that the better the overtime set by the company, the employee performance will increase. There is a significant effect of incentives on employee performance with a value of t (count)> t(table) (2.277> 2.015) with Sig 0.021 <0.05 H $_0$is rejected so that the higher the incentives provided by the company, the employee performance will increase. There is a simultaneous influence of overtime and incentives on employee performance with a value of F (count)> F(table) (6.557>3.20) with Sig. 0.003 <0.05 H $_0$is rejected. From the results of the R test obtained 0.778, it means that the influence of overtime and incentives is 0.778, the R-Square value is 0.605 (60.5%) the remaining 39.5% employee performance is influenced by other variables. Based on the results of the analysis, it shows that Overtime and Incentives both simultaneously and partially have a positive and significant effect on Employee Performance at PT Asam Jawa Medan.

Keywords: Overtime, Incentives, Employee Performance.

INTRODUCTION
Research Background

PT Asam Jawa, as one of the companies engaged in oil palm plantations, has a big responsibility to maintain the quality and quantity of production in the face of increasing market demand. To achieve this, the company needs high-performing human resources (HR). However, in practice, achieving optimal employee performance in the plantation sector faces various challenges. One of them is the high workload, especially when production targets increase. This condition often requires companies to implement an *overtime* system to ensure target achievement. However, a poorly managed *overtime* system can lead to various problems, such as employee fatigue, decreased productivity, and increased work stress.

Therefore, it is important for PT Asam Jawa Medan to develop a more effective overtime policy, taking into account the balance between company needs and employee welfare. To support the implementation of an effective work system, PT Asam Jawa has adopted a biometric-based attendance system to ensure that employee attendance is recorded accurately and transparently, as well as being the basis for calculating overtime hours and providing incentives.

Working Hours Table of PT Asam Jawa Medan

Day	Working Hours	Overtime Hours	Description
Monday, Tuesday, Wednesday, Thursday,	08.00 - 16.00	>16.00	Conditional
Friday			
Saturday	07.30 - 12.30	>15.00	Conditional

Source: PT Asam Jawa Medan (2024)

On the other hand, incentives are one of the important factors that can influence employees' decision to work overtime. At PT Asam Jawa Medan, incentives in the form of bonuses are given to employees as a form of appreciation for their contributions. However, the provision of this incentive has not been fully effective. An incentive system that is not measurable and less transparent can affect employee enthusiasm in providing their best performance.

Incentive Table of PT Asam Jawa Medan

Type of Incentive/Allowance	Description	Time of administration
Overtime Salary Supplement	Incentives are given to employees who work beyond normal working hours.	On payday or before payday depending on the decision of the office cashier
Overtime Calculation per Hour	The amount of overtime pay is calculated based on the number of hours of overtime work performed.	During payday or before payday depending on the decision of the office cashier
Meals or Overtime Meal Pay	Given to employees who work overtime	When overtime takes place
Tunjangan Hari Raya (THR)	Given to employees before religious holidays as a form of welfare Employees	Once a year before the holiday

Source: PT Asam Jawa Medan (2024)

Employee performance at PT Asam Jawa Medan is not yet optimal, although in general it shows good results. The overtime system and the provision of incentives that have not been fully effective are factors that affect this performance. Inaccuracy in the management of incentives and lack of clarity in the mechanism for providing overtime can lead to low work motivation and decreased employee productivity.

The identification of problems in this study includes several things such as the lack of effectiveness of routine management and supervision of the implementation of *Overtime,* the existence of incentive management that is not performance-based, the less than optimal performance of PT Asam Jawa Medan employees. Based on the background of the above problems, the research is interested in conducting further research with the title, "The Effect of *Overtime* and Incentives on Employee Performance at PT Asam Jawa Medan".

According to KBBI, *(overtime) overtime* work is official work that is done outside of official hours (time). According to Sugito & Sudrajat (2023: 105) Overtime or *overtime* is a term used for working beyond the working time specified by law or government regulations in the country concerned. *Overtime* or overtime is additional working time carried out by employees outside the normal working hours set by the company or government regulations.

Nugraheni (2019: 11) states that *Overtime* / Overtime is measured using several indicators including:
1. Overtime, refers to the duration of additional working hours performed by employees beyond regular working hours.
2. Overtime pay received, refers to the compensation that the company provides to employees as a form of appreciation for the additional work time they put in.
3. Given the workload, companies need to ensure that the free work during overtime is still within the capacity that can be handled by employees.

According to KBBI, an incentive is an additional income given to someone to increase work enthusiasm. Incentives can be in the form of money, goods, or preferential treatment. According to Machmed (2018: 100) argues that incentives are awards given by the company to employees for successfully exceeding the productivity standards set by the company. Providing incentives. Providing incentives aims to motivate employees to work more optimally, improve performance, and encourage the creation of a more competitive and productive work environment.

Hasibuan (2013: 35), indicators that influence the process of providing incentives in the company include performance, length of service, seniority, needs, fairness and feasibility, and job evaluation.

Adhari (2020: 77), employee performance is the ability to achieve job requirements, namely when work targets can be completed in a timely manner or do not exceed the time limit provided so that the goal will be in accordance with company morals and ethics. Indrastuti (2020: 107) Performance is a result that a person achieves in carrying out the tasks assigned to him in terms of quality and quantity and effectiveness.

Robbins & Judge (2016: 399), several indicators measure employee performance, namely:
1. Quantity, refers to the amount of work that can be completed by an employee in a given period of time.
2. Quality of Work, reflecting the level of thoroughness, accuracy, and satisfaction with the work performed.

3. Depth of Knowledge, the knowledge and skills that employees have greatly affect their work performance.
4. Teamwork, reflects how an employee can interact, communicate, and contribute to the team.
5. Attendance, consistent attendance also reflects the responsibility of employees in completing the tasks that have been given.
6. Initiative refers to the extent to which an employee can take action or complete tasks without waiting for instructions from superiors.

RESEARCH METHODS

The research was conducted at PT Asam Jawa Medan on Jl. Gajah Mada No.40, Sei Sikambing D, Kec. Medan Petisah, Medan City, North Sumatra, 20119. The population in this study were employees at PT Asam Jawa Medan totaling 47 people. And the sample taken is all employees who are the target of research totaling 47 employees. Data Collection Methods: questionnaire interviews (questionnaires), observation. Data Analysis Techniques: validity test, reliability test, classical assumption test (normality test, multicollinearity test, heteroscedasticity test), hypothesis testing (multiple linear regression, t test, f test, coefficient of determination test).

Variable Operational Definition Table

Variables	Variable Definition	Indicator
Overtime (X1)	work performed by an employee, on the basis of a supervisor's order, in excess of the usual working hours of a working day, or work performed on an employee's weekly rest day or legal holiday. (Nugraheni 2019:9)	1. Overtime 2. Overtime pay 3. Nugraheni workload (2019: 11)
Incentives (X2)	Additional rewards given to certain employees whose performance is above standard	1. Performance 2. Justice
	performance. (Hasibuan Melayu S.P, 2013: 118)	3. Job evaluation Hasibuan (2013:35)
Employee Performance (Y)	work outcomes that reflect the extent to which individuals achieve their work goals. (Robbins and Judge, 2017)	1. Quantity 2. Quality of work 3. Attendance Robbins & Judge (2016:399)

RESEARCH RESULTS

Validity Test Results Table

	Statement	r_{count}	r_{table}	Ket
Employee Performance	Statement 1	0,713		Valid
	Statement 2	0,731		Valid
	Statement 3	0,735		Valid
	Statement 4	0,718		Valid
	Statement 5	0,702		Valid
	Statement 6	0,717		Valid
Overtime (X1)	Statement 1	0,787		Valid
	Statement 2	0,653		Valid
	Statement 3	0,660		Valid
	Statement 4	0,745	0.294	Valid
	Statement 5	0,706		Valid
	Statement 6	0,738		Valid
Incentives (X2)	Statement 1	0,718		Valid
	Statement 2	0,679		Valid
	Statement 3	0,722		Valid
	Statement 4	0,748		Valid
	Statement 5	0,722		Valid
	Statement 6	0,609		Valid

Source: Data processed (2025)

Based on the table above, all statements in the Employee Performance variable (Y), the
Overtime variable (X1) and the Incentive variable (X2) have a value of r count> r table.

Table of Variable Reliability Test Results

No.	Variables	Cronbac's Alpha	Ket
1	*Overtime*	0,795	Reliable
2	Incentives	0,789	Reliable
3	Employee Performance	0,805	Reliable

Source: Data processed (2025)

The Cronbach Alpha value for the *Overtime* (X1), Incentive (X2), and Employee Performance (Y) variables as a whole is greater than 0.60. Thus, it can be concluded that all questionnaire statements in this study are declared reliable.

Normality Test Table (Kolmogorov Test)

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		47
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1,80251094
Most Extreme Differences	Absolute	.128
	Positive	.128
	Negative	-.063
Test Statistic		.128
Asymp. Sig. (2-tailed)		.053[c]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Source: Data processed (2025)

Based on the SPSS output above, the significance value of Asymp. Sig. (2-tailed) of 0.053, which is greater than 0.05.

Multicollinearity Test Table

Coefficients[a]								
Model		Unstd Coeff		Std Coeff	T	Sig.	Coll Statistics	
		B	Std. Error	Beta			Toll	VIF
1	(Constant)	9.284	4.351		2.134	.038		
	Overtime	.295	.133	.302	2.225	.031	.948	1.054
	Incentives	.320	.140	.309	2.277	.028	.948	1.054
a. Dependent Variable: Employee Performance								

Source: Data processed (2025)

Based on the multicollinearity test results in the Coefficients table, it can be explained in this result, the Tolerance value for the *Overtime* and Incentive variables is both 0.948, which indicates that each variable has a high level of independence from other variables. the VIF value for *Overtime* and Incentives is 1.054 each, which is far below the threshold that indicates multicollinearity.

Multiple Linear Regression Test Results

Multiple linear regression equation: Y= 9.284 + 0.295X1 + 0.320X2

1. In the regression results above, the constant value (a) of 9,284 indicates that if the *Overtime* (X_1) and Incentive (X_2) variables are zero (0), then the value of the Employee Performance variable (Y) remains at 9,284 units.
2. *The Overtime* coefficient (X_1) of 0.295 indicates that if *Overtime* increases by 100%, then Employee Performance will increase by 29.5%, assuming other independent variables remain constant.
3. The coefficient value of Incentives (X_2) of 0.320 indicates that if the Incentive increases by 100%, then Employee Performance will increase by 32.3%, assuming other independent variables remain.

Partial Test Results (t Test)

1. The effect of *overtime* on employee performance, indicated by the t-count value of *Overtime* of 2.225 greater than the t-table 2.015, then *Overtime* has a significant effect on Employee Performance, as well as a significance value of 0.031, which is smaller than
0.05. Thus, H0 is rejected and H1 is accepted, which means that *overtime* has a significant effect on employee performance at PT Asam Jawa Medan.

2. The effect of incentives on employee performance, indicated by the t-count value of 2.277, which is greater than the t-table of 2.015 (t-count 2.277 > t-table 2.015), as well as a significance value of 0.021, which is less than 0.05 (Sig. 0.021 < 0.05). Thus, H0 is rejected and H2 is accepted, which means that incentives have a positive and significant effect on employee performance at PT Asam Jawa Medan.

Figure Normality Test Results with *P-P Plot* Graphs

Based on the picture on the side, on the dependent variable Employee Performance, it can be seen that the data points mostly follow the diagonal line which shows a normal distribution.
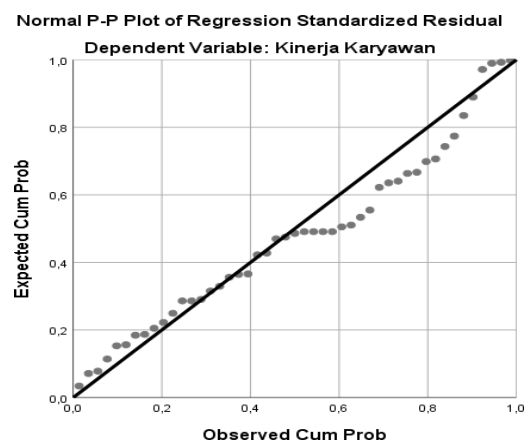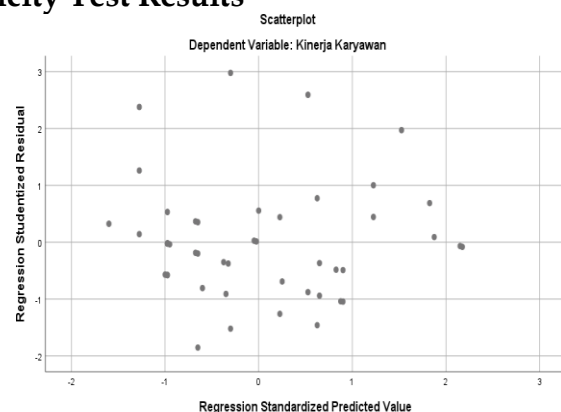
Source: Data processed from SPSS 25 (2025)

Figure Heteroscedasticity Test Results

Based on the figure on the side, it can be seen that the residual points are scattered randomly without forming a certain pattern, which indicates the absence of heteroscedasticity in the regression model.

Source: Data processed from SPSS 25 (2025)

Simultaneous Test Table (Test f)

		ANOVAª				
	Model	Sum of Squares	df	Mean Square	F	Sig.
	Regression	44.544	2	22.272	6.557	.003ᵇ
	Residuals	149.456	44	3.397		
1	Total	194.000	46			
a. Dependent Variable: Employee Performance						
b. Predictors: (Constant), Incentive, *Overtime*						

Source: Data processed (2025)

Based on the table above, the F-count value is 6.557> F-table is 3.20, and the significance value (Sig.) is 0.003 which is smaller than 0.05. This shows that the independent variables, namely *Overtime* and Incentives. Simultaneously have a significant effect on the dependent variable, namely Employee Performance.

Coefficient of Determination Test Table

		Model Summaryᵇ		
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.778ª	.605	.596	3.211
a. Predictors: (Constant), Incentive, *Overtime*				

Source: Data processed (2025)

Based on the results above, the R value of 0.778 indicates that the relationship between the independent variable *(Overtime* and Incentives) and the dependent variable (Employee Performance) is quite strong. The *R Square* value of 0.605 indicates that 60.5% of the variation in Employee Performance can be explained by the *Overtime* and Incentive variables, while the remaining 39.5% is influenced by other variables outside this research model.

DISCUSSION
The Effect of *Overtime* on Employee Performance at PT Asam Jawa Medan
The partial test results (t test) show that *overtime* has a positive and significant effect on employee performance with a t-count> t-table value (2.225> 2.015) and a significance value of 0.031< 0.05 so that the higher the *overtime* done by employees, the more their performance tends to increase. These results indicate that the higher the *overtime* that employees do, the more their performance tends to increase. This can occur because additional working hours provide an opportunity for employees to complete tasks that have not been completed in normal working time.

In addition, *overtime* can also improve employees' discipline and responsibility in completing their work, especially if they have targets to achieve within a certain time. With a structured *overtime* system in place, employees have additional flexibility to refine and improve the quality of their work without rushing to complete tasks.

However, even though *overtime* contributes to improved performance, it is

important for companies to keep a balance between working hours and employee rest time. If *overtime* is done excessively without proper management, negative impacts such as fatigue, stress, and decreased productivity can actually occur. Therefore, an effective implementation of *overtime* must take into account the work capacity of employees and be supported by a proper compensation system.

The Effect of Incentives on Employee Performance at PT Asam Jawa Medan
The results of the partial test (t test) show that incentives have a positive and significant effect on employee performance with a t-count value> t-table (2.277> 2.015) and a significance value of 0.028< 0.05 so that the higher the incentives given to employees, the more employee performance increases.

Based on the results of this study, it can be concluded that incentives have an important role in improving employee performance at PT Asam Jawa Medan. The results of the analysis show that incentives have a positive and significant effect, which means that the higher the incentives provided, the more employee performance will increase. This can be caused by the additional motivation received by employees in the form of incentives, which encourages them to work more productively and achieve predetermined targets.

The Effect of *Overtime* and Incentives on Employee Performance at PT Asam Jawa Medan
The results of the simultaneous test (F test) show that *overtime* and incentives together have a significant effect on employee performance with an F-count> F-table value (6.557> 3.20) and a significance value of 0.003< 0.05. In addition, the R Square value of 0.605 indicates that *overtime* and incentives can explain 60.5% of the variation in employee performance, while the remaining 39.5% is influenced by other variables not included in this study. Companies are advised to evaluate and monitor *overtime* and incentive policies regularly. With the evaluation, the company can determine the effectiveness of the policies that have been implemented and make improvements if necessary so that the impact on employee performance remains positive and sustainable.

The results of this study indicate that *overtime* and incentives together contribute to improving employee performance. *Overtime* allows employees to complete work better, especially in the face of high workloads, while incentives provide additional motivation for employees to be more enthusiastic at work. When these two factors are managed well, companies can create a productive work environment that supports target achievement.

CONCLUSIONS
1. The partial test results (t test) show that *overtime* has a positive and significant effect on employee performance with a t-count> t-table value (2.225> 2.015) and a significance value of 0.031< 0.05 so that the higher the *overtime* done by employees, the more their performance tends to increase. Companies are advised to better manage *overtime* policies so that they still provide benefits to

productivity without overburdening employees. One way that can be done is to provide a structured overtime schedule and pay attention to the physical and mental condition of employees.

2. The partial test results (t test) show that incentives have a positive and significant effect on employee performance with a t-count value of> t-table (2.277> 2.015) and a significance value of 0.028< 0.05 so that the higher the incentives given to employees, the more employee performance increases. Providing incentives that are more competitive and in accordance with employee needs can be an effective strategy in increasing their motivation and performance. Companies can consider a variety of incentives, such as performance bonuses, additional allowances, or other forms of appreciation.

3. The results of the simultaneous test (F test) show that *overtime* and incentives together have a significant effect on employee performance with an F-count> F-table value (6.557> 3.20) and a significance value of 0.003< 0.05. I n addition, the R Square value of 0.605 indicates that *overtime* and incentives can explain 60.5% of the variation in employee performance, while the remaining 39.5% is influenced by other variables not included in this study. In addition to *overtime* and incentives, companies also need to pay attention to other factors that can affect employee performance, such as creating a conducive work environment, providing career development opportunities, and improving communication between management and employees. Thus, it is expected that employees can work more optimally and feel more valued in the organization.

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