



THE INFLUENCE OF INCENTIVES, WORK ENVIRONMENT, AND LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE IN THE BOOK PUBLISHING INDUSTRY IN THE CITY OF MAKASSAR

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**Keyword:**  
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**Abstract:** *This research aims to explore, analyze, and interpret the impact of incentives, work environment, and leadership style on employee performance in the book publishing industry in the city of Makassar. The research approach used is quantitative descriptive, with a population and sample consisting of 31 employees in the book publishing industry in the city of Makassar. Data collection is done through interviews, questionnaires, and literature studies. The obtained data will be analyzed using statistical tools and SPSS version 24 software. The results of the study indicate that: Incentives have a positive and significant impact on the performance of employees in the book publishing industry in the city of Makassar. Overall, incentives have a strong influence on improving employee performance, which is a crucial factor in achieving organizational goals. The work environment also has a positive and significant impact on the performance of employees in the book publishing industry in the city of Makassar. Leadership style is an important factor that supports employees in developing their potential optimally to contribute to the organization's goals with full awareness. Leadership style also has a positive and significant impact on performance in the book publishing industry in the city of Makassar. Key factors in incentives include the atmosphere and supporting facilities that play a crucial role in the implementation of job tasks for employees in the book publishing industry in the city of Makassar.*

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## Introduction

Human Resource Management is a specific field of management that studies the relationships and roles of individuals within an organization. This is because human resource management regulates the workforce within the organization, thus achieving organizational goals and employee job satisfaction. Human resource management can also result in good performance in an organization, institution, or company by assessing and rewarding each individual member of the organization according to their work capabilities.

Each member of an organization has their own interests and goals when they join the organization. For some employees, the expectation of earning money is the sole reason for working, while others argue that money is just one of many needs fulfilled through work. Individuals who work feel more valued by society compared to those who do not work. To ensure the alignment of goals, organizational leaders can provide attention by offering compensation, as compensation is part of the reciprocal relationship between the organization and human resources.

According to Handoko (2011:155), Compensation is "everything received by employees as remuneration for their work." Compensation is also a reward given to employees, both directly and indirectly, financially and non-financially, fairly for their performance in achieving organizational goals. Therefore, compensation is crucial for any company to improve the performance of its employees. Financial compensation includes salary, allowances, bonuses (incentives), and commissions. Non-financial compensation includes training, authority and responsibility, performance recognition, and a supportive work environment. Thus, to obtain compensation that aligns with employee performance, employees with good potential are needed to achieve common goals. Therefore, in compensation, there are several forms, one of which is financial compensation, namely incentives. In order to meet their needs, employees must have good performance to achieve common goals. To carry out their tasks and functions as best as possible, good performance is needed to create good results for the organization or company. Thus, the provision of incentives to employees contributes to excellent performance for both the organization and the company.

Providing incentives is one of the essential aspects that organizations or companies should pay attention to. The motivation of employees can also be influenced by the size of the incentives they receive. If employees do not receive incentives commensurate with their sacrifices in work, they tend to become lazy and lose motivation, resulting in them working without high motivation. With the right incentives and good working methods, the organizational work process can proceed according to organizational goals in the future.

According to Rivai (2014:384), incentives are "a form of payment associated with performance, as a distribution of profits for employees." Similarly, according to Mangkunegara (2012:89), incentives are "a form of motivation expressed in the form of money based on high

performance and also recognition from the organization for the performance and contribution of employees or staff to the organization (company).

The experts mentioned above further explain that incentives are an additional payment beyond the salary made by organizational leaders as recognition of employees' performance for the company. If the incentives provided by the company are appropriate, they will enhance the performance of the employees. Efendy (2012:194) states that "Performance is the work result produced by employees or actual behavior displayed in accordance with their role in the organization.

According to Bernadin and Russel as quoted by Faustino (2013;135), "Performance is the outcome produced from the function of a specific job or activity during a specific period." The experts mentioned above further explain that performance is the result and behavior of work produced by an employee according to their role in the organization within a specific period. Good employee performance is a crucial factor in efforts to improve productivity. Therefore, one of the best ways to improve employee performance is by providing incentives to motivate employees to enhance their performance, resulting in improved performance and the company's ability to produce competitively priced products.

An organization is a complex entity with activities that allocate human resources for the achievement of organizational goals, one of which is performance improvement. If an organization can achieve its set goals, it can be said that the organization is effective.

The work environment includes everything around workers that can influence them in carrying out assigned tasks. According to Gie (2012:210), "every office has physical environmental requirements that must also be considered by every modern office manager." The physical work environment in an organization is a working condition to provide a comfortable atmosphere and situation for employees to achieve the goals desired by an organization. Working conditions that have the potential to cause employees to easily get sick, easily stressed, difficult to concentrate, and a decrease in work productivity can affect service quality.

Gie (2012:212) classifies "four important things that greatly affect efficiency in office work, including light, color, air, and sound." These aspects are used as benchmarks to determine whether the physical office environment meets the specified requirements or not.

The work environment conditions in the Book Publishing Industry in Makassar are still considered ineffective. This can be seen from several factors, including the arrangement of desks and chairs being too close, insufficient lighting entering the room, resulting in a cramped workspace, and an unstructured room layout making it difficult for visitors to receive services. To minimize the impact of the physical environment on employees, the first step is to study humans, both physically and behaviorally, and then use it as a basis for thinking about a suitable physical environment.

Employee performance is essentially individual and can differ between individuals. Employee performance is strongly influenced by three factors: work discipline and training within an organization, as well as the leadership style of leaders within the organization.

Leadership style is defined as a behavioral pattern adopted by someone when attempting to influence the activities of others. It is the chosen behavior or way a leader influences the thoughts, feelings, attitudes, and behaviors of the organization. Leadership style is how a leader influences the behavior of subordinates, encouraging them to cooperate and work productively to achieve organizational goals. Thus, leadership style is a process of influencing and directing the behavior of others, both individuals and groups, to achieve specific goals. (Heidjrachman and Husnan: 2012).

Effective leadership must provide guidance to the efforts of all workers in achieving organizational goals. Without leadership or guidance, the relationship between individual goals and organizational goals may become strained (weakened). This situation creates a situation where individuals work to achieve their personal goals, while the organization as a whole becomes inefficient in achieving its targets, (Reksohadiprodjo & Handoko (2011). According to Davis (1972), an organization is a collection of people and machines that are not orderly (chaotic). Leadership is the ability to influence (persuade) others to achieve goals with enthusiasm. This is a human factor that binds as a group and motivates them to achieve goals. Management activities such as planning, organizing, and decision-making are dormant (inactive) until a leader acts quickly to ignite motivation in each person and direct them to achieve goals. Leadership transforms something potential into reality. This is a fundamental activity that brings success to all potential things, namely an organization and its members.

Leadership is essential if an organization wants to succeed. Moreover, good employees always want to know how they can contribute to achieving organizational goals, and at the very least, the enthusiasm of employees requires leadership as the basis for external motivation to keep their goals harmonious with the organization's goals. A successful organization has a common trait that distinguishes it from an unsuccessful one, and that is effective leadership.

The success of a leader is inseparable from the help of those around him, as well as the ability to influence the thoughts of those people to agree with what their leaders expect in achieving

## **I. THEORETICAL REVIEW**

### **1. Incentive**

Incentive is an additional reward beyond the basic salary given directly to employees, whether in material or non-material form. Incentive is also referred to as a form of recognition or reward provided by an institution with the aim of motivating employees to improve their discipline. Handoko (2012) also expresses his opinion that "incentive is a stimulus offered to employees to perform work in accordance with or higher than the established standards.

Incentive is the end result of a combination of assessments evaluated and performed by the company.

The purpose of providing incentives should satisfy all parties involved; employees can meet their needs, leaders can achieve good results, and government regulations must be adhered to. Incentives have specific types to ensure that the incentive system is well-managed and upholds the values of appropriateness and fairness in distribution, and the amount given is neither excessive nor insufficient.

## **2. Work Environment**

Work environment is synonymous with the atmosphere that encompasses or surrounds the work carried out by employees. The primary factors playing a role in the work environment are the atmosphere and supporting facilities in carrying out the work. The organizational atmosphere strongly influences an employee's performance. The concept of organizational atmosphere here refers to a set of work environment characteristics that can be measured based on the collective perceptions of individuals living and working within that environment, shown to influence their motivation and behavior (Wilson, 2013).

According to Mill (2013:30), a pleasant work environment may be a key driver for employees to achieve peak performance. If the designed work environment is not good, it will have a negative impact on workers, potentially lowering work enthusiasm, motivation, and job satisfaction, ultimately leading to decreased productivity.

The ideal work environment for a human resources organization explains that the work environment must meet three conditions: (1) meet physical condition requirements, (2) create a pleasant work atmosphere, and (3) establish harmonious work relationships. An ideal physical condition includes having a permanent building, workspaces equipped with furniture (desks, chairs, and other office equipment such as phones, fax machines, air conditioning, and toilets) with a quiet, orderly, clean design, free from noisy disturbances and away from pedestrian traffic. Meanwhile, the description of harmonious work includes good cooperation, effective communication, and a sense of mutual assistance in performing work activities among colleagues, creating a harmonious appearance in the work and avoiding horizontal conflicts among employees.

## **3. Leadership Style**

According to sources from an expert defining leadership, such as Terry (1977), who states that "Leadership is the relationship in which one person or the leader influences others to work together willingly on related tasks to attain what the leader desires." Meanwhile, Sikula (1992) states that "Leadership is an administrative process that involves directing the affairs and actions of others."

Leadership style, essentially, refers to the manifestation of the behavior of a leader, involving their ability to lead. This manifestation usually forms a specific pattern or form. The understanding of leadership style aligns with the opinion presented by Mark (2014), who states that the overall pattern of a leader's actions as perceived or referenced by subordinates is known as leadership style.

#### **4. Performance**

The success of an organization is influenced by the job performance of its human resources. Therefore, every company will strive to improve employee performance in achieving the established organizational goals. A well-developed and maintained organizational culture can drive the organization towards better development. On the other hand, the leader's ability to motivate and empower employees will affect performance. The term 'performance' refers to job performance or actual performance (the actual achievement of an individual). Job performance is generally influenced by the skills, abilities, experience, and dedication of the workforce involved. According to Simanjuntak (2015), 'Performance is the level of achievement of results from the implementation of specific tasks. Simanjuntak also defines individual performance as the level of achievement or work results of an individual from the targets that must be achieved or tasks that must be carried out within a certain period.'

Performance is the implementation of a plan that prioritizes resource capacity. Performance implementation is carried out by human resources with abilities, competencies, motivation, and interests. How an organization values and treats its human resources will influence the attitudes and behaviors of those resources in performing their tasks (Mardjuni, 2016).

## **II. Research Methods**

The research design and type utilize a quantitative method. The research location is in the Book Publishing Industry in the city of Makassar. The research was conducted over a period of 2 months, followed by the analysis of the research data. The population and sample of the study: 31 individuals (The population in the research implementation is the employees of the Book Publishing Industry in the city of Makassar). The data analysis technique used is quantitative descriptive analysis.

## **III. DISCUSSION OF RESEARCH RESULTS**

### **1. The Influence of Incentives on Employee Performance in the Book Publishing Industry in Makassar City**

Because the calculated t-value is 10.053, which is greater than the t-table value of 2.021, it means that the Incentive variable significantly influences the performance of employees in the Book Publishing Industry in Makassar City.

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## **2. The Influence of the Work Environment on Employee Performance in the Book Publishing Industry in Makassar City**

Based on the research hypothesis results, it was found that the Work Environment (X2) significantly influences the performance of Employees (Y) with a regression coefficient value of 0.308, indicating that the work environment significantly influences the performance of Employees in the Book Publishing Industry in Makassar City. So, if the Incentive increases by one unit, the employee's performance will increase by 0.308, assuming that the values of other independent variables remain constant.

This result indicates that the work environment significantly influences the performance of employees in the Book Publishing Industry in Makassar City. This is because in each job section, employees already have their respective SOPs that must be implemented, and the work targets that each employee must achieve are clear, so the work environment will affect the performance of employees. This suggests that the work environment will enhance employee performance.

The work environment is synonymous with the atmosphere that encompasses or surrounds the work performed by employees. The main factor that plays a role in the work environment is the atmosphere and supporting facilities in carrying out the work. The organizational atmosphere strongly supports the performance of an employee. The understanding of the organizational atmosphere here is a series of characteristics of the work environment that can be measured based on the collective perceptions of people living and working in that environment and is shown to influence their motivation and behavior (Wilson, 2013).

## **3. The Influence of Leadership Style on Employee Performance in the Book Publishing Industry in Makassar City**

Based on the results of the research hypothesis, it was found that Leadership Style (X3) has a significant effect on performance (Y), with a significant influence coefficient of 0.219. Leadership Style is one of the essential aspects needed to generate good performance within an employee, and it can enhance the performance of employees in the Book Publishing Industry in Makassar City according to the goals set by leaders and organizations. If Leadership



Style increases by one unit, employee performance will increase by 0.219, assuming that the values of other independent variables remain constant.

The leadership style of a leader can be explained through three theories: (1) Genetic Theory. The essence of this theory states that "Leaders are born and not made" (leaders are born with talent rather than made). (2) Social Theory. The core of this social theory is that "Leaders are made and not born" (leaders are made or educated rather than innate). (3) Ecological Theory. The ecological theory essentially means that a person will only succeed as a good leader if they have leadership talent. This talent is then developed through systematic education and experiences that allow further development.

Leadership style, essentially, implies the manifestation of a leader's behavior, involving their ability to lead. This manifestation usually forms a specific pattern or form. This understanding of leadership style is in line with the opinion expressed by Mark (2014), stating that the overall pattern of a leader's actions, as perceived or referred to by subordinates, is known as leadership style.

#### **4. The Influence of Incentives, Work Environment, and Leadership Style on Employee Performance in the Book Publishing Industry in Makassar City.**

Based on the research hypothesis, it was found that Incentives (X1), Work Environment (X2), and Leadership Style (X3) collectively have a significant influence on Employee Performance (Y) in the Book Publishing Industry in Makassar City. The overall model indicates that when Incentives, Work Environment, and Leadership Style increase collectively, Employee Performance will also increase significantly. The specific coefficients for each variable can be further analyzed to understand the individual contribution of Incentives, Work Environment, and Leadership Style to Employee Performance.

This finding suggests that a well-designed and implemented system of incentives, a positive work environment, and effective leadership can collectively contribute to enhancing the performance of employees in the Book Publishing Industry in Makassar City. Organizations should consider these factors comprehensively to create conditions that foster higher employee performance.

## **V Conclusion and Recommendations**

### **A. Conclusion**

Based on the interpreted data analysis results, the conclusions that the author can draw are as follows:

1. There is a significant influence between Incentives, Work Environment, and Leadership Style individually on the performance of Employees in the Book Publishing Industry in Makassar City.



2. There is a significant influence between Incentives, Work Environment, and Leadership Style together on the performance of Employees in the Book Publishing Industry in Makassar City.
3. The Leadership Style variable is the most dominant influence on the performance of Employees in the Book Publishing Industry in Makassar City.

## **B. Recommendations.**

The recommendations that can be provided by the researcher through the results of this study are:

1. Providing appreciation to employees is crucial to evoke positive behavior and achievements, so they can perform their job well. Intelligent leaders can boost employee motivation by giving personal attention, such as a pat on the back, handwritten notes, or brief comments in the hall. When showing or giving recognition, strive to make it more specific. By being specific, employees are aware that their actions are genuinely monitored. High levels of motivation will be obtained through natural outcomes.
2. For future researchers, it is advisable to further develop research variables such as communication competence, emotional intelligence, organizational culture, and employee productivity by combining them with other variables such as work motivation, work discipline, and leadership. This will contribute to expanding the research knowledge in the field of human resource management.

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