

The Effect Of Incentive Giving On Employee Performance Through Human Resource Development In Public Works And Spatial Planning Service Asahan Regency

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Abstract

Proper incentive provision and optimal human resource development are important factors in improving employee performance in government organizations. This study aims to determine and analyze the effect of incentive provision on employee performance mediated by human resource development at the Public Works and Spatial Planning Office of Asahan Regency. This study uses a causal associative quantitative approach. The sample used was the entire employee population of 145 people, with a saturated sampling technique. Data analysis was carried out using Structural Equation Modeling (SEM) based on Partial Least Square (PLS). The results showed that incentive provision had a positive and significant effect on employee performance, with a T-statistic value of $20.605 > 1.96$ and a P-value of $0.000 < 0.05$, indicating that increasing incentives can improve employee performance. In addition, incentive provision had a positive and significant effect on HR development, with a T-statistic value of $55.921 > 1.96$ and a P-value of $0.000 < 0.05$, indicating that incentives encourage employee involvement in skill development. Human resource development also has a positive and significant effect on employee performance, with a T-statistic value of $8.826 > 1.96$ and a P-value of $0.000 < 0.05$, indicating that increasing human resource development can improve employee performance. In addition, human resource development is able to mediate the effect between incentive provision on employee performance, indicated by a T-statistic value of $8.385 > 1.96$ and a P-value of $0.000 < 0.05$. These results provide insight that incentive provision and human resource development are effective strategies in improving employee performance at the Public Works and Spatial Planning Office of Asahan Regency

Keywords:

Incentives; Employee performance; Human resource development,

INTRODUCTION

Improving employee performance through human resource development (HRD) and incentives has become an important focus in organizational management



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worldwide. Many organizations seek to improve productivity and efficiency through this strategy. According to research, the right incentives can motivate employees to work harder and more efficiently, and can increase their job satisfaction and loyalty to the organization Murray & Holmes, 2021; Zhenjing et al., (2022) .

Providing incentives, both financial and non-financial, has been proven effective in driving employee motivation and performance. Financial incentives such as bonuses, commissions, and salary increases provide direct rewards for performance achievement, while non-financial incentives such as recognition, awards, and career development opportunities provide psychological and professional satisfaction Dessler & Varrkey, (2015) .

Human resource development also plays a critical role in improving employee performance. Well-designed training programs can improve employee skills and knowledge, making them more capable of performing their tasks effectively Rahmawati et al., (2022) . In addition, continuous human resource development ensures that employees stay up-to-date with the latest developments in their field, increasing adaptability and innovation in the organization Choi et al., (2016) .

In addition, continuous HR development ensures that employees stay up-to-date with the latest developments in their field. For example, with new technologies and changes in industry practices, continuous training can help employees adopt and implement the latest innovations, which can ultimately improve productivity and work efficiency Hussain et al., (2019) . HR development also includes coaching and mentoring, which can provide additional support and strategic direction for employees in achieving their career goals.

Continuous HR development can increase employee motivation and job satisfaction. When employees feel that their organization is committed to their professional development, they tend to have higher loyalty and feel more motivated to contribute optimally Wayne, (2016) . This can create a more positive and productive work environment, where employees feel valued and supported in their career growth.

In the Public Works and Spatial Planning Agency of Asahan Regency, Human Resource Development and the provision of incentives are also important concerns. Based on observations and interviews with several employees in the Public Works and Spatial Planning Agency of Asahan Regency, several problems related to employee performance were found. One of the main problems is the lack of work motivation which has an impact on suboptimal productivity. Employees feel that the incentives provided are not enough to motivate them to improve their performance. In addition, the existing human resource development program is considered less effective in improving employee competence. Many employees feel that the training provided is not relevant to their daily work needs. This indicates the need for evaluation and improvement in the human resource development program in the Public Works and Spatial Planning Agency of Asahan Regency.



Formulation of the problem

The formulation of the research problem is as follows:

1. Does the provision of incentives have a positive and significant effect on employee performance at the Public Works and Spatial Planning Office of Asahan Regency ?
2. Does the provision of incentives have a positive and significant effect on resource development at the Public Works and Spatial Planning Office of Asahan Regency?
3. Does human resource development have a positive and significant effect on employee performance at the Public Works and Spatial Planning Office of Asahan Regency?
4. Does the provision of incentives have a positive and significant effect on employee performance through resource development at the Office of Public Works and Spatial Planning of Asahan Regency ?

Research purposes

The objectives of this research are as follows:

1. To determine and analyze the influence of incentives on employee performance at the Public Works and Spatial Planning Office of Asahan Regency.
2. To find out and analyze the influence of providing incentives on resource development at the Office of Public Works and Spatial Planning of Asahan Regency.
3. To determine and analyze the influence of human resource development on employee performance at the Public Works and Spatial Planning Office of Asahan Regency.
4. To determine and analyze the influence of incentives on employee performance through resource development at the Office of Public Works and Spatial Planning of Asahan Regency .

Literature review

Incentive

According to Dessler & Varrkey, (2015) , incentives are gifts or bonuses given to employees as an appreciation for the performance that has been achieved. Incentives aim to increase employee work motivation to be more productive and efficient in carrying out their duties. According to Wayne, (2016) incentives are a form of appreciation given to encourage the achievement of certain performance expected by the organization. Incentives can be financial such as bonuses and commissions, as well as non-financial such as recognition and awards.



Incentive Indicators

Incentive indicators according to Dessler & Varrkey, (2015) are:

1. Financial and non-Financial:
Financial: Includes bonuses, commissions, salary increases, and other monetary benefits. Non-Financial consists of awards, recognition, career development opportunities, and performance-based incentives such as certificates or plaques.
2. Fairness and Transparency, namely incentives must be given based on clear and fair criteria for all employees. These criteria must be transparent and understood by all employees so as not to cause dissatisfaction or injustice.
3. Relevance to Performance, namely incentives must be directly related to the achievement of certain performance. Employees who achieve or exceed the set targets must receive incentives according to their contributions).
4. Frequency and Timeliness, namely incentives should be given periodically and on time to maintain employee motivation and work spirit. Delays in providing incentives can reduce their effectiveness as a motivational tool.
5. Impact on Productivity and Performance is the effectiveness of incentives must be evaluated based on the increase in employee productivity and performance. This indicator helps organizations determine whether the incentives provided have succeeded in achieving the desired goals.

Human Resource Development

According to Dessler & Varrkey, (2015) HR development is an education and training process designed to improve employee skills and knowledge so that they can work more effectively and efficiently in carrying out their duties. This includes technical training, continuing education, and leadership development and interpersonal skills. According to Gomez-Mejia et al., (2016) HR development is a planned and ongoing effort to improve individual and group competencies in an organization. This involves various methods, such as on-the-job training, coaching, job rotation, and career development programs.

Human Resource Development Indicators

According to Gomez-Mejia et al., (2016) the indicators of human resource development are:

- 1) Skills and Knowledge Enhancement:
 - Training and Education: The amount and type of training employees receive, and its impact on improving skills and knowledge.
 - Certifications and Qualifications: The number of professional certifications or qualifications obtained by employees after participating in development programs.
 - Post-Training Evaluation: Evaluation results showing increased skills and knowledge after training



will make the body healthy. Sufficient air circulation in the workspace is very necessary if the room is full of employees.

2) Work Performance and Productivity:

- Performance Assessment: Changes in employee performance assessments before and after participating in a development program.
- Productivity: Increased work productivity that can be measured through work output, time efficiency, and quality of work results.

3) Employee Satisfaction and Motivation:

- Job Satisfaction Survey: Level of employee satisfaction with the development program they have participated in.
 - Motivation and Commitment: The level of employee motivation and commitment to contribute better after participating in the development program
- Air humidity Humidity is the amount of water contained in the air, usually expressed in percentage. This humidity is related to or influenced by air temperature.

4) Employee Development:

- Promotion and Promotion: The number of employees who received a promotion or promotion after participating in the development program.
- Career Planning: Clarity and achievement of individual career goals after receiving guidance and mentoring.

5) Employee Development:

- Retention Rate: The percentage of employees who remain with the organization after participating in a development program.
- Employee Loyalty: Indicators of employee loyalty such as low turnover rates and long-term commitment to the organization.

Performance

According to Bratton et al., (2021) , performance is the result or level of success of a person as a whole during a certain period in carrying out tasks compared to various possibilities such as work standards, targets, or criteria that have been previously determined and agreed upon together.

Performance Indicators

To measure the level of employee performance in this study, the indicators formulated by Bratton et al., (2021) were used, namely:

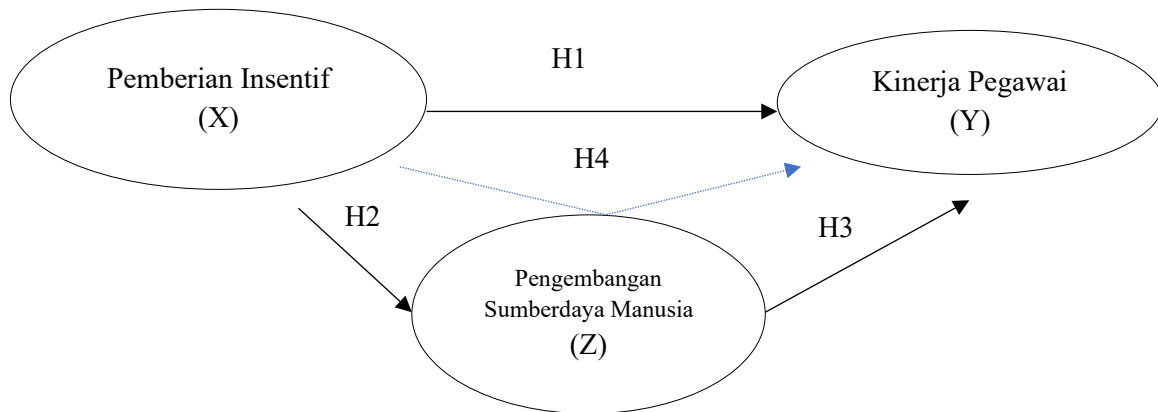
- 1) Quality of work;
- 2) Quantity of Work
- 3) Completion Time
- 4) Work effectiveness and efficiency
- 5) Initiative and creativity.
- 6) Discipline and Compliance



7) Communication

Conceptual Framework

The conceptual framework in this research is as follows:



Gambar 1. Kerangka Konseptual

Hypothesis

The research hypothesis consists of:

- H1 : The provision of incentives has a positive and significant effect on employee performance at the Public Works and Spatial Planning Office of Asahan Regency.
- H2 : The provision of incentives has a positive and significant effect on the performance of human resource development at the Office of Public Works and Spatial Planning of Asahan Regency.
- H3 : Human resource development has a positive and significant effect on employee performance at the Public Works and Spatial Planning Office of Asahan Regency.
- H4 : The provision of incentives has a positive and significant effect on employee performance through HR Development at the Office of Public Works and Spatial Planning of Asahan Regency.

RESEARCH METHODS

The type of research that will be used is quantitative associative, namely research that aims to determine the relationship between two or more variables (Sugiyono, 2020) . In this study, the exogenous variable is the Provision of Incentives (X). While the endogenous variable is Employee Performance (Y) and the moderating variable is HR development (Z).



Research Location

This research was conducted in The Office of the Public Works and Spatial Planning Department of Asahan Regency is located at Jl. Mahoni No. 29, Mekar Baru, Kisaran, Asahan Regency, North Sumatra 21211. The research period was from October 2024 to December 2024.

Population and Sample

According to Sugiyono (2019) , population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn . In this study, the population used was the entire number of employees at the Public Works and Spatial Planning Office of Asahan Regency, totaling 69 people with the following details.

Table 1 Population Details at the Public Works and Development Office

Spatial Planning of Asahan Regency	No.	Employee Status	Number of people)
	1.	ASN	69
Source: Office	Amount		69

of
Public Works and Spatial Planning of the Regency Sharpening

According to (Sugiyono, 2020) , a sample is part of the number and characteristics possessed by the population. If the population is large, and researchers cannot study everything in the population, for example due to limited funds, manpower and time, then researchers can use samples taken from that population. However, in this study because the population is relatively small, the sampling technique used is the saturated sample technique, which involves all respondents to become samples, meaning that the sample to be used is 69 employees.

Feasibility test

The feasibility test that will be used in this study is the *outer model test* to obtain the *outer loading value* that meets the *validity and reliability requirements*. Structural model test (Inner model) which includes the determination coefficient test (R^2) to measure how far the model's ability to explain the variation of the dependent variable. The determination coefficient value / R^2 is in the range of zero (0) and one (1) (Munajad, 2015) .

Goodness fit test is used to determine the extent to which the observed data is in accordance with the theoretical distribution assumed by the model or hypothesis (Ghozali & Latan, 2015) and hypothesis testing (T-Statistic Test) consisting of *path coefficients test* to test how the direct influence of each independent variable individually on the dependent variable and the indirect influence of the intervening



variable in influencing the independent variable on the dependent variable. This test is used to determine the direction of the relationship between variables (positive/negative). If the value is 0 to 1, then the direction of the relationship between variables is stated positive. While if the value is 0 to -1, then the direction of the relationship between variables is stated negative. The hypothesis is said to be accepted if the t statistic value is greater than the t table. According to (Ghozali & Latan, 2015) the t table value criteria is 1.96 with a significance level of 5%

RESULTS AND DISCUSSION

Research result

Outer Model Analysis

outer model testing in this study uses algorithm analysis on *SmartPLS software version 3.0*, in order to obtain *outer loading values* that meet the *validity and reliability requirements*.

1) Convergent Validity Test Results

Convergent validity of the measurement model with reflective indicators can be seen from the correlation between the item/indicator score and the construct score. Indicators that have individual correlation values greater than 0.7 are considered valid, but in the development stage of research, indicator values of 0.5 and 0.6 are still acceptable. Based on the results for outer loading, it shows that there are indicators that have loadings below 0.60 and are not significant. The following are the results of the outer loading values in the following table.

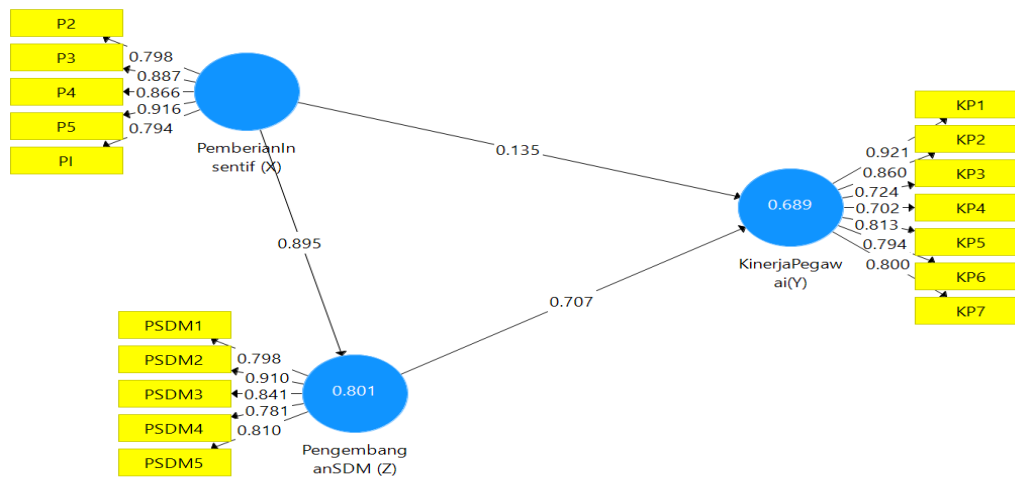
Table 2. Outer Loading

Indicator	Outer Loading	Information
Incentive Grant (X)		
P1	0.794	Valid
P2	0.798	Valid
P3	0.887	Valid
P4	0.866	Valid
P5	0.916	Valid
Employee Performance (Y)		
KP1	0.921	Valid
KP2	0.860	Valid
KP3	0.724	Valid
KP4	0.702	Valid
KP5	0.813	Valid
KP6	0.794	Valid
KP7	0.800	Valid
Human Resources Development (Z)		

Indicator	Outer Loading	Information
PSDM1	0.798	Valid
PSDM2	0.910	Valid
PSDM3	0.841	Valid
PSDM4	0.781	Valid
PSDM5	0.810	Valid

Source: Smart PLS Output, 2024

Based on Table 2, it can be seen that all indicators have a *loading factor value* > 0.60. According to (Ghozali, Imam & Latan, 2015) an indicator is declared valid if it has a *loading factor value* > 0.60. Thus, it can be stated that all indicators in this study are declared valid and can be further researched. The following is displayed in the form of a structural model as in the following figure:



Outer Model Test Results

2) Test Results *Discriminant Validity*

The next test is to test the discriminant validity, this test aims to determine whether a reflective indicator is a good measurement for its construct based on the principle that the indicator is highly correlated to its construct. The following are the cross loading results from the discriminant validity test as in the following table.

Table 3 . *Discriminant Validity*

Variable Indicator	Employee Performance (Y)	Development HR (Z)	Incentive Provision (X1)
KK1	0.921	0.673	0.768



Variable Indicator	Employee Performance (Y)	Development HR (Z)	Incentive Provision (X1)
KK2	0.860	0.640	0.708
KK3	0.724	0.535	0.492
KK4	0.702	0.773	0.841
KP5	0.813	0.556	0.542
KP6	0.794	0.452	0.522
KP7	0.800	0.572	0.624
P1	0.696	0.794	0.853
P2	0.664	0.798	0.730
P3	0.654	0.887	0.779
P4	0.602	0.866	0.676
P5	0.639	0.916	0.751
PSDM1	0.599	0.675	0.798
PSDM2	0.726	0.906	0.910
PSDM3	0.702	0.773	0.841
PSDM4	0.780	0.653	0.781
PSDM5	0.612	0.675	0.810

Source: Smart PLS Output, 2024

Based on table 3, it can be seen that the *cross loading value* in each indicator and variable is greater than other variables and indicators, the cross loading of the Employee Performance variable shows that the cross loading of the variable indicator is greater than the cross loading of other latent variables, the cross loading of the Incentive variable indicator shows that the *cross loading indicator value* is greater than other latent variables, *the cross loading* of Human Resource Development also shows a greater cross loading indicator value than the cross loading of its latent variables. Based on these data, it can be stated discriminatively that *the cross loading* results are considered valid.

3) Composite reliability test results

The next test determines the reliable value with *the composite reliability* of the indicator block that measures the construct. A construct value is said to be reliable if the *composite reliability value* is above 0.60. In addition to looking at the *composite reliability value*, the reliable value can be seen from the variable construct value with *the cronbachs alpha of the indicator block that measures the construct*. A construct is declared reliable if the *cronbachs alpha* value is above 0.7. The following is a table of loading values for the research variable constructs generated from running the Smart PLS program in the following table.

Table 4. Construct Reliability and Validity

Indicator	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
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Employee Performance(Y)	0.909	0.928	0.648
Incentive Grant (X)	0.906	0.930	0.728
Human Resources Development (Z)	0.886	0.917	0.688

Source: Smart PLS Output, 2024

Based on Table 4, it can be explained that the AVE value for each tested variable has a value of > 0.5 , indicating that all variables in this study meet *the criteria of discriminant validity*. To determine the reliability in this study, *the composite reliability value is used*. The value accepted for the level of reliability is > 0.7 . Based on these criteria, it can be seen that all variables in this study have a value of > 0.70 so that it can be stated that all variables tested meet the construct reliability.

Structural Model Evaluation (*Inner Model*)

Structural model evaluation (*inner model*) is conducted to ensure that the structural model built is robust and accurate. The stages of analysis carried out in the structural model evaluation are seen from several indicators, namely:

1) Results of the Determination Coefficient Test (R^2)

The determination coefficient test (R^2) is used to see the influence of certain independent latent variables on dependent latent variables whether they have a substantive influence. Based on the data processing that has been carried out using the SmartPLS 3.0 program, the R Square value is obtained as in the following table.

Table 5. R Square Results

Variables	R Square	Adjusted R Square
Employee Performance(Y)	0.689	0.684
Human Resources Development (Z)	0.801	0.800

Source: Smart PLS Output, 2024

Based on table 5, it is known that the R square Adjusted value of the employee performance variable is 0.684 or 68.40%, which means that the effect of incentives on employee performance is in the very high category. This means that the more incentives are given, the more employee performance will increase. Meanwhile, the R Square value of the employee performance variable is 0.689 or 68.90%, which means that the effect of incentives on employee performance is 68.90% and the remaining 31.01% is influenced by other variables that have not been studied. Meanwhile, the R Square Adjusted value of the HR development variable is 0.800 or 80.00%, which means that the provision of incentives



affects HR development by 80.00% or in the very high category, which means that the provision of incentives significantly increases HR development. Furthermore, the R square value of the HR development variable is 0.801 or 80.01%, which means that the provision of incentives affects HR development by 80.01%, while the remaining 9.99% is influenced by other variables that have not been studied.

2) *Goodness of Fit Test Results*

Goodness of Fit Test is a statistical method used to evaluate how well a statistical model or distribution being tested fits the observed data. The Goodness of Fit Test aims to determine the extent to which the observed data fits the theoretical distribution assumed by the model or hypothesis. The goodness of fit test of the model can be seen by looking at the NFI value in the program. If the NFI value > SRMR and is getting closer to 1, the better the model (good fit). Based on the data processing that has been done using the SmartPLS 3.0 program, the Model Fit value is obtained as follows.

Table 6. Fit Model

	Saturated Model	Estimated Model
SRMR	0.131	0.131
d_ ULS	2,610	2,610
d_ G	n/a	n/a
Chi-Square	n/a	n/a
NFI	0.640	0.640

Source: Smart PLS Output, 2024

Based on table 6, it can be seen that the NFI value is $0.640 > 0.195$ so it can be stated that the model in this study has sufficient *goodness of fit and is suitable for use in testing the research hypothesis*.

Hypothesis Testing Results

After conducting the inner model analysis, the next step is to evaluate the relationship between latent constructs in order to answer the hypothesis in this study. Hypothesis testing in this study was carried out by looking at the T-Statistics and P-Values. The hypothesis is declared accepted if the *T-Statistics value* is > 1.96 and P-Values < 0.05 . The following are the results of the *Path Coefficients* of the direct influence between variables as in the following table.

Table 7. Path Coefficients (Direct Effect)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Results
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Incentive Provision (X) -> Employee Performance (Y)	0.768	0.767	0.037	20,605	0.000	Accepted
Incentive Provision (X) -> HR Development (Z)	0.895	0.894	0.016	55,921	0.000	Accepted
HR Development (Z) -> Employee Performance (Y)	0.707	0.719	0.080	8,826	0.000	Accepted

Source: Smart PLS Output, 2024

Based on the data in Table 7, it can be stated that the provision of incentives has a positive and significant effect on employee performance. This can be seen from the T-statistic value of $20.605 > 1.96$ with a P-Value of $0.000 < 0.05$. This means that if the provision of incentives is increased, employee performance will increase significantly. These results answer the first hypothesis in this study, namely that the provision of incentives has a positive and significant effect on the performance of employees of the Public Works and Spatial Planning Service of Asahan Regency.

Furthermore, on the influence of incentive provision on HR development, the T-Statistic value data obtained was $55.921 > 1.96$ with a P-Value of $0.000 < 0.05$ so that it can be stated that incentive provision has an effect on HR development at the Public Works and Spatial Planning Office of Asahan Regency. This can be interpreted that if incentive provision is increased, HR development will increase. This statement answers the second hypothesis, namely that incentive provision has a positive and significant effect on HR development.

Furthermore, on the influence of HR development on employee performance, data was obtained that the T-Statistic value was $8.826 > 1.96$ with a P-Value of $0.005 < 0.05$, which means that HR development has a positive and significant effect on employee performance. This indicates that if HR development is increased, employee performance tends to increase significantly so that this statement answers the third hypothesis, namely that HR development has a positive and significant effect on employee performance.

To answer the sixth and seventh hypotheses, we look at the indirect influence between variables as in the following table.

Variables	Original Sample (O)	Sample Mean (M)	Standar d Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Results
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Incentive Provision (X) ->						
Human Resource	0.633	0.643	0.075	8.385	0.000	Accepted
Development (Z) ->						
Employee Performance (Y)						

Table 8. Indirect Effect (Indirect Influence)

Source: Smart PLS Output, 2024

Based on table 8, it can be explained that HR development (Z) is able to intervene in the influence between Incentive Provision (X) on Employee Performance (Y). This can be seen from the results of the T-Statistic value of $8.385 > 1.96$ with a P-Value of $0.000 < 0.05$. This shows that there is an indirect influence between incentive provision and employee performance through HR development. This statement answers the fourth hypothesis that effective HR development is able to intervene positively and significantly in the influence between incentive provision and employee performance. These results provide insight into how the intermediary variable of human resource development can intervene in the relationship between incentive provision and employee performance at the Public Works and Spatial Planning Service of Asahan Regency.

Discussion

The findings in this study can be strengthened by referring to the findings of previous relevant studies . The analysis shows that incentives have a positive and significant effect on employee performance. This finding is consistent with research by Murray & Holmes (2021) which found that incentives can increase employee motivation and performance. The implications of the findings based on the positive effect of incentives on employee performance indicate that organizations, such as the Public Works and Spatial Planning Service of Asahan Regency, can increase productivity and efficiency through the right incentive strategy. Fair, transparent, and timely incentives will motivate employees, increase loyalty, and reduce dissatisfaction, thereby helping organizations retain high-performing employees and create a stable work environment. In addition, effective incentives also function as a long-term investment in building a competitive and results-oriented work culture, while encouraging employees to develop personal competencies that are in line with organizational goals.

The results of the study indicate that incentives have a positive and significant effect on human resource development. This finding indicates that increasing incentives given to employees not only increases motivation but also encourages employee involvement in available HR development programs. Support for this finding can be seen in research by Rahmawati et al. (2022), which found that incentives can serve as an important motivator for employees to participate in training and professional development, improving the skills needed for increasingly complex tasks. Another study by Choi et al. (2016) also supports this finding by emphasizing that a good incentive program can help improve the effectiveness of HR development



through higher motivation for skill improvement. The implication of the positive effect of incentives on human resource (HR) development in this organization is that organizations can strategically use incentives to accelerate the HR development process. With attractive incentives, employees will be more motivated to actively participate in training and development programs, improving skills that are in accordance with the needs of the organization.

The results of the study also show that human resource (HR) development has a positive and significant effect on employee performance. This finding is in line with research conducted by Choi et al. (2016), which revealed that sustainable HR development programs, such as training and skills development, can improve work effectiveness, productivity, and employee satisfaction. Robbins & Judge's (2012) research also supports this finding by stating that HR development contributes to improving work quality and motivation, which ultimately has a positive impact on performance. The implications of the positive influence of human resource (HR) development on employee performance indicate that organizations should consistently invest resources in HR development programs. By providing relevant and ongoing training, organizations can improve employee skills and competencies, so that they can work more effectively and efficiently. In addition, good HR development can improve employee satisfaction and motivation, which has an impact on their loyalty and dedication to the organization. In the long run, this not only improves individual performance but also strengthens the overall competitiveness of the organization, especially in facing changes and challenges in a dynamic industry.

The results of the study indicate that human resource (HR) development (Z) is able to mediate the effect of incentives (X) on employee performance (Y) at the Public Works and Spatial Planning Office of Asahan Regency. This finding is supported by research conducted by Murray & Holmes (2021), which found that the combination of incentives and HR development programs provided more optimal results in improving employee performance because incentives encouraged employee participation in training, while HR development improved their skills. Another study by Choi et al. (2016) also supports the role of HR development as a mediator, emphasizing that incentives have a greater impact when employees are given the opportunity to improve their skills through training, which ultimately contributes to improving their performance.

Conclusion

From the results of the analysis of research data and the discussion described above, it can be concluded that :

1. The provision of incentives has a positive and significant effect on employee performance, with a T-Statistic value of 20.605 and a P-Value <0.05. This proves that increasing incentives, both in financial and non-financial forms, can increase work motivation, which contributes to improving employee performance. Hypothesis H1 is accepted. The



- provision of incentives positively and significantly improves employee performance at the Public Works and Spatial Planning Office of Asahan Regency
2. Incentives also have a positive and significant effect on HR development, with a T-Statistic value of 55.921 and a P-Value <0.05 . This indicates that incentives can motivate employees to be more involved in skills development and training programs. Hypothesis H2 is accepted. The provision of incentives is proven to positively and significantly encourage HR development in the Public Works and Spatial Planning Service of Asahan Regency.
 3. The results show that HR development has a positive and significant influence on employee performance, with a T-Statistic of 8.826 and a P-Value <0.05 . This means that the more development opportunities given to employees, the better the performance produced. Hypothesis H3 is accepted. Human resource development is proven to have a positive and significant influence on employee performance at the Public Works and Spatial Planning Service of Asahan Regency.
 4. Human resource development is proven to mediate the influence of incentives on employee performance, with a T-Statistic of 8.385 and a P-Value <0.05 . This shows that incentives will be more effective in improving performance if accompanied by relevant human resource development programs, such as training and skill enhancement. Hypothesis H4 is accepted. Human resource development strengthens the positive and significant influence of incentive provision on employee performance at the Public Works and Spatial Planning Office of Asahan Regency.

Suggestion

Based on the findings of this study, here are some suggestions that can be directed at institutions to improve employee performance:

1. The Office of Public Works and Spatial Planning of Asahan Regency should review and optimize the incentive policy to suit the needs and expectations of employees. The incentives given should be fair, transparent, and directly related to performance. In addition to financial incentives, non-financial awards such as public recognition or special awards can be important motivators to increase employee loyalty and motivation.
2. It is recommended that HR development programs be more focused on improving skills that are relevant to the needs of the organization and current industry dynamics. Training and development should be tailored to the technical and leadership skills needed, so that employees can improve their competence and performance effectively.
3. The results of the study show that the combination of incentives and HR development strengthens its influence on employee performance. Therefore, it is recommended that these two strategies be implemented continuously and integrated. For example, incentives can be linked to participation in training or achieving certain certifications, so that employees are motivated to continue to develop.
4. To ensure the effectiveness of incentive programs and HR development, it is recommended that regular monitoring and evaluation be carried out. This aims to assess whether the implemented program is successful in improving employee performance



and meeting organizational goals. This evaluation also allows the organization to identify areas that need improvement and adjust the program according to changing employee needs.

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