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The Influence of Work Discipline and Incentives on Employee Performance at PT YXZ Tex

Manoakh Nenobais[1], Nunung Ayu Sofiati[2], Gurawan Dayona Ismail[3], Yoyo Sudaryo[4], Ade Salman Alfarisi[5], Irving Ignatius Paul Luntungan[6], Riyandi Nur Sumawidjaya[7]
[1]Universitas Indonesia Membangun, Jakarta, Indonesia, manoakhnenobais@student.inaba.ac.id
[2]Universitas Indonesia Membangun, Jakarta, Indonesia, nunungayu.sofiati@inaba.ac.id
[3]Universitas Indonesia Membangun, Jakarta, Indonesia, gurawan.dayona@inaba.ac.id
[4]Universitas Indonesia Membangun, Jakarta, Indonesia yoyo.sudaryo@inaba.ac.id
[5]Universitas Indonesia Membangun, Jakarta, Indonesia, ade.salman@inaba.ac.id
[6]Universitas Indonesia Membangun, Jakarta, Indonesia, irving.luntungan@inaba.ac.id
[7]Universitas Indonesia Membangun, Jakarta, Indonesia, riyandi.nursumawidjaja@inaba.ac.id

Corresponding Author: manoakhnenobais@student.inaba.ac.id[1]

Abstract: Performance is the result of work achieved by each employee that contributes positively to the company. This study aims to analyze the influence of work discipline and incentives on employee performance at PT XYZ Tex using structured modeling analysis (SEM) techniques. The descriptive study results from 120 employees who were the research sample indicate that Work Discipline, which includes compliance, attendance, and honesty, has been well established. Incentives, which include the process of providing incentives based on groups and the process of providing incentives based on individuals, have been implemented well by the company. Similarly, Employee Performance, which includes work quality, work quantity, task execution, and responsibility, has been well established. The results of the confirmatory study indicate a significant influence of the Work Discipline variable on Employee Performance with a partial influence of 11.5%. Furthermore, there is a significant influence of the Incentive variable on Employee Performance with a partial influence of 24.8%. Together, Work Discipline and Incentives have a significant influence on Employee Performance with a total influence of 60.2%. These findings highlight the importance of employees having work discipline and company strategies in providing incentives in order to improve employee performance.

Keyword: Employee Performance, Work Discipline, Incentives

INTRODUCTION

A company is an organization engaged in business, whether in services or goods, which develops through the profits it earns. In this era of globalization, companies are required to face increasingly competitive competition, both in the domestic and foreign markets. To face this competition, every organization must have competent human resources to improve the quality and standards within the organization in order to advance its business.

In essence, human resources are the most important factor in driving all company activities based on their abilities and creativity as needed to achieve company goals. The success of a company is usually determined by its ability to manage its human resources so that all desired goals are achieved.

PT XYZ Tex is a company engaged in the production of textiles, with approximately 800 employees. As one of the textile companies in Bandung, the company relies on production quality and speed, and customer satisfaction will be the key to success in organizational management.

Work performance within a company has a significant influence on achieving and improving work productivity. The success of a company in achieving its goals can be seen from its high work performance. This performance will later help the company improve its performance.

According to Mangkunegara (2017:9), performance is defined as work achievements or work results (output), both in terms of quality and quantity, achieved by human resources within a specific period of time in carrying out their assigned tasks. Work performance is important because it can be used to determine and evaluate the extent to which employees can carry out the tasks and work assigned by the company properly. However, achieving optimal work performance from employees is not easy, as it requires a high level of awareness and responsibility from the employees themselves. Employees with high performance tend to be enthusiastic about challenges, creative, innovative, responsible, and always seek motivation and skill development to adapt to changes for better career growth, thereby enhancing employee performance in the company.

Currently, based on data obtained from the Head of Human Resource Development at PT XYZ Tex, there has been a decline in the performance of weaving employees. The following is the data obtained by the researcher regarding employee performance:

Table 1. Employee Performance Data at PT XYZ Tex

No	Name	Year 2023			Year 2024			Average value
		Jobdesk KPI (%)	Absent HRM (%)	(Job+Absent)/2 TOTAL (%)	Jobdesk KPI (%)	Absent HRM (%)	(Job+Absent)/2 TOTAL (%)	
1	K1	68%	75%	71%	51%	70%	60%	71%
2	K2	68%	80%	74%	56%	80%	68%	74%
3	K3	66%	80%	73%	61%	80%	70%	73%
4	K4	59%	50%	55%	55%	50%	53%	55%
5	K5	68%	60%	64%	58%	60%	59%	64%
6	K6	68%	50%	59%	61%	60%	60%	59%
7	K7	72%	50%	61%	70%	50%	60%	61%
8	K8	78%	80%	79%	76%	50%	63%	79%
9	K9	73%	60%	67%	67%	80%	74%	67%
10	K10	66%	70%	68%	61%	60%	60%	68%
11	K11	62%	80%	71%	51%	70%	60%	71%
12	K12	73%	50%	61%	71%	80%	75%	61%
13	K13	64%	50%	57%	60%	50%	55%	57%
14	K14	74%	60%	67%	72%	50%	61%	67%
15	K15	63%	60%	62%	67%	60%	64%	62%
16	K16	64%	60%	62%	71%	60%	65%	62%
17	K17	62%	60%	61%	50%	60%	55%	61%
18	K18	68%	60%	64%	71%	60%	65%	64%

19	K19	65%	50%	57%	70%	50%	60%	57%
20	K20	54%	80%	67%	65%	80%	73%	67%
21	K21	73%	80%	76%	70%	80%	75%	76%
22	K22	75%	70%	73%	75%	70%	73%	73%
23	K23	73%	50%	61%	70%	50%	60%	61%
24	K24	72%	80%	76%	75%	80%	78%	76%
25	K25	71%	80%	76%	70%	80%	75%	76%
26	K26	67%	60%	64%	70%	60%	65%	64%
27	K27	72%	80%	76%	70%	80%	75%	76%
28	K28	72%	50%	61%	60%	50%	55%	61%
29	K29	70%	50%	60%	51%	50%	50%	60%
30	K30	70%	50%	60%	68%	50%	59%	60%
Target								**100%**
Average								**66%**

Source: Internal data of PT XYZ Tex 2025

Based on the data in Table 1, it shows that the performance of office employees has declined. The data shows that the targets for 2023 and 2024 were not achieved, with none reaching 100% of the target, but rather falling below the target with an average value of 66%. This indicates that office employees' performance is below the average target set. Suboptimal performance is largely determined by employee discipline.

Furthermore, issues related to work discipline can be identified through employee attendance rates over the course of a year at PT XYZ Tex. The researcher found that employee attendance each month was unstable over the course of one year. Another factor influencing and causing performance to fall short of the company's targets is the provision of incentives. According to Hasibuan (2013:118), incentives are additional rewards given to certain employees whose performance exceeds the standard. These incentive wages are a tool used to support the principle of fairness in compensation. The issues regarding the provision of incentives, as identified based on interviews with the Human Resources Development employees in the Weaving Division of PT XYZ Tex, are as follows:

Table 2. Results of Interviews with Respondents

No	Statement	Number of Respondents	Percentage Dissatisfaction
1.	There are no job incentives for shift workers. This results in shift workers receiving the same wages as other employees.	10	50%
2.	There are no overtime incentives on national holidays. This certainly creates a sense of injustice when employees have to work on national holidays.	20	100%
3.	There are no skill incentives for all employees.	20	100%
4.	There are no meal allowances for all employees.	17	75%
5.	There are no transportation allowances for all employees.	15	75%

Source: Company data, 2025

Based on the interview results above, the absence of the highest incentive and the cause of dissatisfaction is the expertise incentive and overtime incentive during national holidays, which is 100%. The absence of incentives provided by the company has led employees to expect that the company should provide skill-based incentives and overtime pay during national holidays, as employees' performance should be recognized, and overtime pay during national holidays should be given as a bonus when employees have to work while others are on leave.

The second highest percentage is the provision of meal and transportation allowances, which is 75%. This is not because there is no provision of meal and transportation allowances. In fact, the provision of meal and transportation allowances can increase employees' income and improve their performance quality and loyalty to the company.

Several studies have shown that discipline and incentives can influence employee performance. The results of this study are consistent with those of Yuliyanti (2017:155), who found that work discipline has a significant positive effect on employee performance, meaning that if employee discipline, such as time discipline and work discipline, is improved, employee performance will also improve. Research by Dewi and Sutopo (2021:37) indicates that work discipline has a positive impact on employee performance. This means that the higher the level of discipline during work, the higher the sense of responsibility toward employee performance. Furthermore, research by Cahya and Pematasari (2023:207) shows that work discipline has a positive and significant impact on employee performance.

Istiqomah Melati (2023). The Influence of Work Discipline and Incentives on Employee Performance at PT Astrido Jaya Mobilido. The findings of the study conducted by the researcher indicate that work discipline has an influence of 0.446 or 44.6% on employee performance at PT Astrido Jaya Mobilido's Klender branch. There is also an influence of incentive provision of 0.499 or 49.9% on the performance of employees at PT Astrido Jaya Mobilido's Klender branch. Work discipline and incentive provision have a combined influence of 0.569 or 56.9% on the performance of employees at PT Astrido Jaya Mobilido's Klender branch.

Ignasius Rezaldi, (2023) in his research on the Analysis of Internal Control and Incentives on Work Productivity with Work Discipline as an Intervening Variable (Study at Titik Terang Konveksi). From the results of this study, the following conclusions were drawn: there is a significant influence of internal control on work discipline among employees at Titik Terang Konveksi; there is no significant influence of incentives on work discipline among employees at Titik Terang Konveksi; there is a significant influence of work discipline on work productivity among employees at Titik Terang Konveksi; there is no significant influence.

Based on the above background, the researcher is interested in conducting a study with the title **"The Influence of Work Discipline and Incentives on Employee Performance at PT XYZ Tex".**

Formulation of the Problem

Based on the background of the problem, the author can formulate the following problems:

1. What is the overview and analysis of employee performance at PT XYZ Tex?
2. What is the overview and analysis of work discipline implementation at PT XYZ Tex?
3. What is the overview and analysis of incentive provision at PT XYZ Tex?
4. What is the impact of work discipline on employee performance at PT XYZ Tex?
5. What is the impact of incentives on employee performance at PT XYZ Tex?
6. What is the simultaneous impact of work discipline and incentives on employee performance at PT XYZ Tex?.

METHOD

In this study, the author uses a quantitative research approach. Sugiyono (2022) explains that a quantitative approach is a method based on concrete data and applied in conducting sample and population research. The research data is in the form of numbers that can be calculated using statistical analysis as a calculation tool for testing hypotheses. The type of research used is associative (relationship) research with quantitative analysis methods (data in the form of numbers). Associative research is research that aims to determine the relationship

between two or more variables. In this study, the author takes Work Discipline, Incentives, and Employee Performance at PT XYZ Tex as the research objects.

The research methods used in this study are descriptive and verifiable. According to Purba et al. (2021), descriptive research is the collection of data to test hypotheses or answer questions about the latest status of the research subject, which is a factual research method about the status of a group of people, an object, a condition, a system of thought, or an event at the present time with correct interpretation.

Meanwhile, the verifiable research method is a research method through proof to test the hypothesis of descriptive research results with statistical calculations so that the results of the proof show that the hypothesis is rejected or accepted (Sugiyono, 2018). Thus, this study will test the validity of incentives as a mediator of the influence of work discipline on employee performance at PT XYZ Tex.

This study uses primary and secondary data. According to Sugiyono (2017:137), primary data is data obtained from the original or first source, collected by the researcher to answer problems found in the study, obtained directly from informants through interviews or questionnaires. Secondary data is data obtained through library research, which is done by searching for and studying references and comparing them with several sources such as books, literature, and journals related to the research objectives that provide theoretical support.

In this study, the population consisted of all 815 employees at PT XYZ Tex. The sampling technique used for this study was simple random sampling, which is a method of selecting samples in such a way that all members of the population have an equal chance and freedom to be selected as samples. The selection of a random sample includes the procedures of defining the population, identifying each member of the population, and selecting individuals (samples) based on "full opportunity." For this purpose, a table of random numbers or a computer program is usually used. This technique was chosen by the author because PT XYZ Tex does not have branches, so the employees are concentrated in the company.

The analysis used to test the causal relationship between variables in this study is the *Structural Equation Modeling* (SEM) method with the *Maximum Likelihood* (ML) estimation technique. Based on a Monte Carlo study conducted by researchers on various SEM estimation methods, it was concluded that the sample size for ML estimation must be at least 5 x independent parameters, including errors (Bentler & Chou, 1987). The *Likert* scale is used to measure the attitudes, opinions, and perceptions of an individual or group of people about social phenomena. The scale used in this study is the *Likert* scale. The tests conducted are validity, reliability, and hypothesis testing.

RESULTS AND DISCUSSION

Results

Management

Management can also be defined as the planning, coordinating, organizing, and controlling of resources to achieve goals efficiently and effectively. According to Hasibuan (2016:9), management is the science and art of organizing the process of utilizing human resources and other resources effectively and efficiently to achieve a specific goal. Management is the science and art of organizing the process of utilizing human resources and other resources involving coordination and supervision of other work activities so that their activities are completed effectively and efficiently.

Human Resource Management

Human resource management is one of the fields of management that specifically regulates the role of humans in achieving organizational goals. According to Mangkunegara (2017:2), human resource management is the planning, organizing, coordinating, implementing, and supervising of the procurement, development, compensation, integration, and separation of

labor in order to achieve organizational goals. Emron (in Siddiq, A.M., 2025:463) adds that HRM aims to maximize employee potential through strategic steps to improve their performance in achieving organizational goals.

Performance

Performance is the result of work achieved by each employee that contributes positively to the company (Hasibuan, 2017). According to Rivai (2023), performance is a general term used to describe some or all of the actions or activities of an organization during a certain period with reference to a number of standards such as projected past costs based on efficiency, management responsibility or accountability, and the like.

Work Discipline

According to Hasibuan (2019:194), discipline is the awareness and willingness of a person to obey company rules and applicable social norms. Work discipline is the awareness and willingness of employees to obey all organizational rules and applicable social norms. Thus, work discipline is a tool used by leaders to communicate with employees so that they are willing to change their behavior to follow the established rules. Discipline must be enforced in an organization. This means that without the support of good work discipline from employees, it is difficult for the organization to achieve its goals. Therefore, discipline is the key to the success of an organization in achieving its goals (Sinambela, 2016).

Incentives

Incentives are a motivator for employees to work better so that they can produce good performance. According to Sinambela (in Purwanti, D. 2021), incentives are elements or rewards that are given irregularly or are variable depending on employee performance. Incentives are an important motivator that can stimulate employees to work optimally.

Work Discipline Validity Test, Incentives

The Work Discipline variable, which includes the dimensions of Compliance, Attendance, and Honesty, consists of 6 items (questions). For the purpose of validity testing, a pre-survey was conducted by distributing questionnaires to 30 respondents (employees) at PT XYZ Tex. The data from the pre-survey was then processed using SPSS 26 software through Spearman's rank correlation analysis. The following is a summary of the validity test results for the items in the Work Discipline variable.

Table 3. Item Validity Test for Work Discipline

No	Item	Dimensions	$r_{s.count}$	Sig.	$r_{s\text{-}tabel}$	Conclusion
1	P1	Compliance	0,837	0,000	0,364	Valid
2	P2		0,551	0,002	0,364	Valid
3	P3	Attendance	0,951	0,000	0,364	Valid
4	P4		0,917	0,000	0,364	Valid
5	P5	Honesty	0,947	0,000	0,364	Valid
6	P6		0,940	0,000	0,364	Valid

No	Item	Dimensions	$r_{s.count}$	Sig.	$r_{s\text{-}table}$	Conclusion
1	P7	Incentive provision process based on groups	0,782	0,000	0,364	Valid
2	P8		0,447	0,013	0,364	Valid
3	P9	Incentive provision process based on individuals	0,908	0,000	0,364	Valid
4	P10		0,875	0,000	0,364	Valid

No	Item	Dimensions	$r_{s.count}$	Sig.	$r_{s\text{-}table}$	Conclusion
1	P11	Work Quality	0,630	0,000	0,364	Valid

No	Item	Dimensions	$r_{s.count}$	Sig.	$r_{s\text{-}table}$	Conclusion
2	P12		0,802	0,000	0,364	Valid
3	P13	Work Quantity	0,497	0,005	0,364	Valid
4	P14		0,838	0,000	0,364	Valid
5	P15	Task Implementation	0,536	0,002	0,364	Valid
6	P16		0,846	0,000	0,364	Valid
7	P17	Responsibility	0,614	0,000	0,364	Valid
8	P18		0,821	0,000	0,364	Valid

Source: Compiled from questionnaire data in the 2025 pre-survey research
rs.table = Spearman's correlation coefficient at a significance level of 5%, $n = 30$

The results of the validity test of the Work Discipline items show that the lowest correlation value between the item and the total is found in the item regarding employee discipline in implementing SOPs (item 2/P2) in the Compliance dimension, which is 0.551 (Sig. = 0.002), while the item with the highest correlation is the item regarding high absenteeism without clear reasons (item 3/P3) in the Attendance, which was 0.951 (Sig. = 0.000). All correlation values between the item-total of the Work Discipline variable had a significance value of less than 0.05 (compared to the table Rho, the correlation value was greater than or equal to 0.364), so all items were declared valid.

The Incentive variable, which includes the dimensions of Incentive provision process based on groups and Incentive provision process based on groups, consists of 2 items (questions). For validity testing purposes, a pre-survey was conducted by distributing questionnaires to 30 respondents (employees) at PT XYZ Tex. The data from the pre-survey was then processed using SPSS 26 software through Spearman's rank correlation analysis. The following is a summary of the validity test of the items in the Incentive variable.

The results of the validity test of the incentive items showed that the lowest correlation between item and total was found in the item regarding the measurement of team success, which is sometimes difficult if there are no clear indicators (item 8/P8) in the dimension of incentive distribution process based on groups, with a value of 0.447 (Sig. = 0.013), while the highest correlation was found in the item regarding employees only working hard when there are incentives (item 9/P9) in the dimension of incentive provision process based on individuals, which is 0.908 (Sig. = 0.000). All correlation values between the item-total of the Incentive variable have a significance value of less than 0.05 (compared to the table Rho, the correlation value is greater than or equal to 0.364), so all items are declared **valid**.

The Employee Performance variable, which includes the dimensions of Work Quality, Work Quantity, Task Implementation, and Responsibility, consists of 8 items (questions). For the purpose of validity testing, a pre-survey was conducted by distributing questionnaires to 30 respondents (employees) at PT XYZ Tex. The data from the pre-survey was then processed using SPSS 26 software through Spearman's rank correlation analysis. The following is a summary of the validity test of the items in the Employee Performance variable.

The results of the validity test of the Employee Performance items showed that the lowest correlation between the item and the total was found in the item regarding employees completing work according to the target time (item 13/P13) in the Work Quantity dimension, which was 0.497 (Sig. = 0.005), while the highest correlation was found in the item regarding employees easily overwhelmed by high workloads (item 16/P*16*) in the Task Implementation dimension, which was 0.846 (Sig. = 0.000). All correlation values between the item-totals of the Employee Performance variable had a significance value of less than 0.05 (compared to the table Rho, the correlation value was greater than or equal to 0.364), so all items were declared **valid**.

Reliability of Work Discipline, Incentives, and Employee Performance

Reliability tests were used to measure the reliability of the questionnaire. Table 4 below shows the results of data processing collected from the pre-survey using SPSS 26 software.

Table 4. Reliability Test Using Cronbach's Alpha Method

No	Variable	Reliability coefficient (r)	critical	Description
1	Work Discipline	0,921	0,700	Reliable
2	Incentives	0,704	0,700	Reliable
3	Employee Performance	0,865	0,700	Reliable

Source: Compiled from questionnaire data in the 2025 preliminary survey

Based on the results of reliability testing of the variables in the research questionnaire, the results show that the variable with the highest reliability is Work Discipline at 0.921. This value indicates that the level of consistency of respondents' answers to the Work Discipline variable is *very* high at 92.1%. Meanwhile, the Incentives variable has the lowest reliability at 0.704, indicating a consistency level of 70.4%, which is categorized as high. All three variables have reliability values greater than 0.700, so Work Discipline, Incentives, and Employee Performance are deemed reliable. The results of the validity and reliability tests of the questionnaire indicate that all items of the research variables are valid and reliable, so all questionnaire items can be used for further analysis.

Data Normality

In this study, the theoretical model was analyzed using Structural Equation Modeling (SEM) with parameter estimation through the Maximum Likelihood (ML) method. This method requires a minimum interval measurement scale for the data. Meanwhile, the collected data is Likert or ordinal scale, so before SEM analysis, the data scale must be changed from ordinal to interval using the Method of Successive Interval (Syarifudin Hidayat, 2005:55).

Furthermore, before CFA and SEM analysis, data normality must be checked. Data normality can be determined by observing the c.r. values for the skewness and kurtosis tests, which should be between -2.58 and +2.58. From the summary of the univariate normality test statistics, it can be seen that the largest negative skew c.r. value is in dimension X_{13} at -1.388, while the largest positive skew c.r. value is in dimension Y_3 at 1.279. Meanwhile, in the kurtosis test, the largest negative c.r. value was found in dimension X_{13} at -1.859, and there were no positive c.r. values. Thus, all c.r. values for the skewness and kurtosis tests were still within the range of -2.58 to +2.58, indicating that the data were univariate normally distributed.

Table 5. *Assessment of Normality*

Variable	min	max	skew	c.r.	kurtosis	c.r.
Y4	6.186	11.400	.068	.302	-.382	-.854
Y3	6.339	11.604	.286	1.279	-.473	-1.059
Y2	6.000	11.026	-.282	-1.263	-.078	-.175
Y1	6.074	11.114	-.231	-1.033	-.408	-.912
X22	5.214	11.719	-.165	-.738	-.678	-1.516
X21	6.000	11.120	-.117	-.524	-.771	-1.725
X11	6.000	11.410	-.187	-.838	-.395	-.884
X12	6.000	11.006	-.150	-.673	-.797	-1.782
X13	6.000	10.917	-.310	-1.388	-.831	-1.859
Multivariate					2.621	1.020

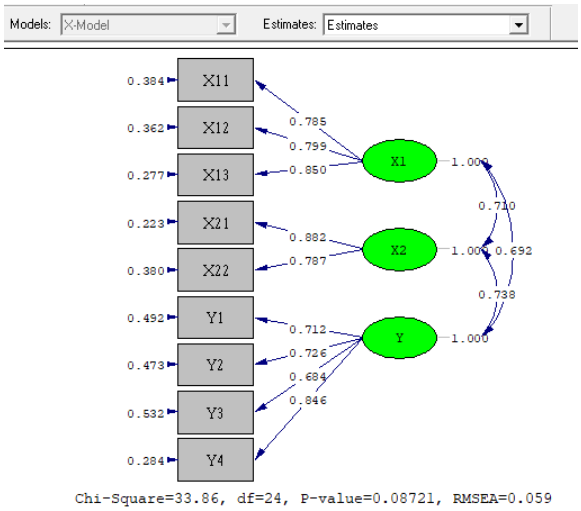
Source: Data Processing Results, 2025

Based on Table 5 in the last row, the multivariate normal distribution test of skew and kurtosis shows a critical ratio value of 1.486, which is within the range of ± 2.58, indicating

that the data is normally distributed. Thus, the Maximum Likelihood (ML) method can be used as the appropriate method for estimating parameters for this research data.

Structural Model of the Influence of Work Discipline and Incentives on Employee Performance

The Confirmatory Factor Analysis (CFA) model was used to determine the relationship between latent variables, where data was processed using Lisrel 8.80 software. The CFA model for Work Discipline, Incentives, and Employee Performance is as follows:




```
                    Goodness of Fit Statistics
                      Degrees of Freedom = 24
    Normal Theory Weighted Least Squares Chi-Square = 33.859 (P = 0.0872)
           Root Mean Square Error of Approximation (RMSEA) = 0.0588

                       Normed Fit Index (NFI) = 0.965
                    Non-Normed Fit Index (NNFI) = 0.981
                    Comparative Fit Index (CFI) = 0.987
                         Standardized RMR = 0.0450

                    Goodness of Fit Index (GFI) = 0.941
              Adjusted Goodness of Fit Index (AGFI) = 0.888
```

Figure 1. CFA Model (Standardized) Work Discipline, Incentives, and Employee Performance

From the CFA model, at the bottom is listed the Chi-square value = 33.86 with a probability of rejecting the null hypothesis of 0.08721 (P-value = 0.08721), and RMSEA (Root Mean Square Error Approximation) of 0.059, indicating that the model is a good fit. These results indicate that the CFA model meets the criteria for a fit model because the P-value > 0.05 and the RMSEA is less than 0.08. The NFI, NNFI, and CFI indices are 0.965, 0.981, and 0.987, respectively, which are greater than 0.95, indicating that the model is fit. The standardized RMR value of 0.0450 is less than 0.05, indicating that the model is fit. The GFI value of 0.941 indicates that the model is fit, but the AGFI value of 0.888 falls within the range of 0.80–0.90, indicating that the model is marginal. Therefore, overall, this CFA model meets the criteria for a good model and no modifications are necessary.

The significance testing of parameter estimates for each dimension in predicting latent variables and the covariance (correlation) between latent variables is presented in the table below.

Table 6. Path coefficients of the CFA model

			Standarized Estimate	*S.E.*	*t*
X11	<---	X1	0,785	0,0810	9,691
X12	<---	X1	0,799	0,0804	9,927
X13	<---	X1	0,850	0,0783	10,856
X21	<---	X2	0,882	0,0810	10,878
X22	<---	X2	0,787	0,0833	9,450
Y1	<---	Y	0,712	0,0843	8,455
Y2	<---	Y	0,726	0,0837	8,667
Y3	<---	Y	0,684	0,0854	8,017
Y4	<---	Y	0,846	0,0787	10,757

Source: Data Processing Results, 2025

Table 7. Covariance of the CFA Model

			Standarized Estimate	*S.E.*	*t*
X1	<-->	X2	0,710	0,065	10,904
X1	<-->	Y	0,692	0,065	10,611
X2	<-->	Y	0,738	0,062	11,824

Source: Data Processing Results, 2025

The results of the path coefficient analysis of the Confirmatory Factor Analysis (CFA) model show a significant influence, as shown in the table above, where all t values are above the required critical value of |t| ³ 1.96. Thus, it can be concluded that the dimensions used to predict the relevant latent factors are appropriate. Similarly, the relationships among the latent variables are all significant at the 5% significance level (95% confidence level).

In structured modeling, the validity coefficient of each dimension and the construct reliability coefficient (latent variable) can be calculated. The purpose is to determine whether the dimensions used to predict these latent variables are valid and how consistent the latent variables are. The following are the properties of the CFA model, which consist of the values of Standardized Estimate, t, construct reliability, and extract variance.

Table 8. Dimension Validity, Construct Reliability, and AVE

Factors and Dimensions	***Standarized Estimate***	**t**	**R square**	**Error**
Work Discipline (X1 / ξ_1)				
X_{11}	0,785	9,691	0,616	0,384
X_{12}	0,799	9,927	0,638	0,362
X_{13}	0,850	10,856	0,723	0,278
Total	2,434		1,977	1,023
Construct Reliability			**0,853**	
Variace Extracted				**0,659**
Incentives (X2 / ξ_2)				
X_1	0,882	10,878	0,778	0,222
X_2	0,787	9,450	0,619	0,381
Total	1,669		1,397	0,603
Construct Reliability			**0,822**	
Variace Extracted				**0,699**
Employee Performance (Y / η_1)				
Y_1	0,712	8,455	0,507	0,493
Y_2	0,726	8,667	0,527	0,473
Y_3	0,684	8,017	0,468	0,532
Y_4	0,846	10,757	0,716	0,284
Total	2,968		2,218	1,782
Construct Reliability			**0,832**	
Variace Extracted				**0,554**

Source: Data Processing Results, 2025

Table 8 shows that the Variance Extracted value ranges from 0.554 to 0.699, all above the recommended critical limit of 0.5. Thus, based on the Variance Extracted value, the latent variables used have good discriminant validity. The construct reliability values range from above 0.822 to 0.853, all of which are greater than the recommended value of 0.7. This criterion indicates that in the model formed, the latent variables of Work Discipline, Incentives, and Employee Performance have very high reliability (>0.80).

Based on the standardized estimate used to predict the latent variables Work Discipline, Incentives, and Employee Performance, the values are greater than 0.3 (t > 1.96), indicating that all indicators used are valid.

From all model suitability criteria (quality criteria), it can be concluded that the CFA model has met the requirements so that the model is declared good and can be used to answer the research hypothesis.

The next step that can be taken in the CFA model is to evaluate the data, including outliers, multicollinearity, and singularity. The univariate outlier check was carried out by looking at the Zscore value below -3 or above +3. The results of data processing with SPSS 26 show that the largest negative Zscore value (minimum part) is in dimension X22 at -2.78893, while the largest positive Zscore value (maximum part) is in dimension Y3 at 1.94168, as shown in Table 9 below.

Table 9. Summary Statistics of *Univariate Outlier* Checks

Dimensions	*Minimum*	*Maximum*
Zscore(X11)	-2.08864	1.71092
Zscore(X12)	-1.95984	1.53673
Zscore(X13)	-1.92534	1.26280
Zscore(X21)	-1.95834	1.55502
Zscore(X22)	-2.78893	1.49106
Zscore(Y1)	-2.43704	1.89322
Zscore(Y2)	-2.38998	1.82932
Zscore(Y3)	-2.25502	1.94168
Zscore(Y4)	-2.49675	1.86895

Source: Data Processing Results, 2025

Based on the table, all Zscore dimensions are in the range of -3 to +3. Thus, it can be concluded that the data is free from univariate outliers. The multivariate outlier check is shown in the following table. The results show that the data has the largest Mahalanobis distance in observation 16, which is 21.392 (p1 = 0.011, p2 = 0.735). Since the probability value is greater than 0.001, this observation is not a multivariate outlier.

Hypothesis Test of the Effect of Work Discipline on Employee Performance

In this study, one of the variables tested for its relationship with other variables is the Work Discipline variable, which includes the dimensions of Compliance, Attendance, and Honesty towards Employee Performance at PT XYZ Tex. The hypothesis to be tested is as follows:

$H_{0,4}$: $\gamma_1 = 0$: There is no influence of Work Discipline, which includes the dimensions of Compliance, Attendance, and Honesty, on Employee Performance at PT XYZ Tex.

$H_{1,4}$: $\gamma_1 \neq 0$: There is an influence of Work Discipline, which includes the dimensions of Compliance, Attendance, and Honesty, on Employee Performance at PT XYZ Tex.

Table 10 shows the test of the effect of Work Discipline, which includes the dimensions of Compliance, Attendance, and Honesty, on Employee Performance at PT XYZ Tex.

Table 10. Test of the Effect of Work Discipline on Employee Performance

Endogenous Latent Variables	to	Variable Latent Exogenous	*Estimate: Standarized Regression Weights*	*Estimate: Regression Weights*	*Standard Error* (S.E.)	t	Conclusion
Y	←	X1	0,339	0,287	0,114	2,510	Significant

Source: Data Analysis Results, 2025

For a two-tailed test, at a 95% confidence level, the critical value of the standard normal z-distribution is 1.96. If we compare the t-value with the critical value in the table, we find that t = 2.510 > 1.96, so the null hypothesis is rejected. This means that Work Discipline, which includes the dimensions of Compliance, Attendance, and Honesty, has a significant effect on Employee Performance at PT XYZ Tex. The magnitude of the direct effect of Work Discipline on Employee Performance is 0.339^2 x 100% = **11.5%**.

Hypothesis Testing of the Effect of Incentives on Employee Performance

Next, the variable tested for its correlation with other variables is the Incentive variable, which includes the dimensions of the incentive provision process based on groups and the incentive provision process based on individuals on Employee Performance at PT XYZ Tex. The hypothesis to be tested is as follows:

$H_{0,5}$: $\gamma_2 = 0$: There is no influence of incentives covering the dimensions of incentive provision based on groups and incentive provision based on individuals on employee performance at PT XYZ Tex.

$H_{1,5}$: $\gamma_2 \neq 0$: There is an influence of incentives covering the dimensions of incentive provision based on groups and incentive provision based on individuals on employee performance at PT XYZ Tex.

Table 11 shows the test of the effect of incentives, which includes the dimensions of the incentive provision process based on groups and the incentive provision process based on individuals on employee performance at PT XYZ Tex.

Table 11. Test of the Effect of Incentives on Employee Performance

Endogenous Latent Variables	to	Variable Latent Exogenous	*Estimate: Standarized Regression Weights*	*Estimate: Regression Weights*	*Standard Error* (S.E.)	t	Conclusion
Y	←	X2	0,498	0,421	0,117	3,597	Significant

Source: Data Analysis Results, 2025

For a two-tailed test, at a 95% confidence level, the critical value of the standard normal z-distribution is 1.96. If we compare the t-value with the critical value in the table, we find that t = 3.597 > 1.96, so the null hypothesis is rejected. This means that incentives that include the dimensions of incentive provision based on groups and incentive provision based on individuals have a significant effect on employee performance at PT XYZ Tex. The magnitude of the direct effect of incentives on employee performance is 0.498^2 x 100% = 24.8%.

Hypothesis Testing of the Effect of Work Discipline and Incentives on Employee Performance

The research hypothesis to determine the simultaneous effect of work discipline and incentives on employee performance at PT XYZ Tex is as follows:

$H_{0,6}$: $\gamma_1 = \gamma_2 = 0$: There is no simultaneous effect of Work Discipline and Incentives on Employee Performance at PT XYZ Tex.

$H_{1,6}$: $\gamma_1 \neq \gamma_2 \neq 0$: There is a simultaneous influence of Work Discipline and Incentives on Employee Performance at PT XYZ Tex.

The structured model equation of Work Discipline and Incentives on Employee Performance at PT XYZ Tex is simultaneously stated as:

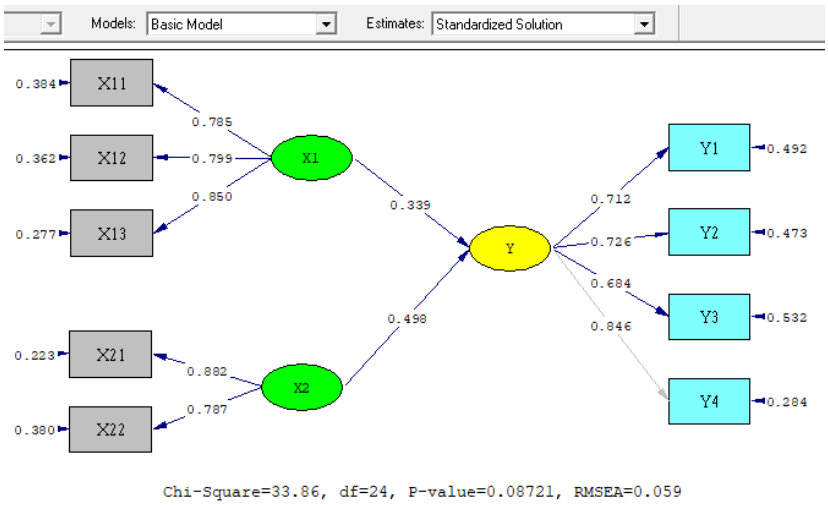


Figure 2. The (*Standardized*) Effect of Work Discipline and Incentives on Employee Performance Simultaneously

Employee Performance (Y) = 0,339 Work Discipline (X1) + 0,498 Incentives (X2) + 0,398

Because $F_{calculated}$ = 88.521 > F_{table} = 3.074, H_0 is rejected, meaning that there is a simultaneous influence of Work Discipline and Incentives on Employee Performance. The magnitude of the influence of the variables of Work Discipline and Incentives on Employee Performance at PT XYZ Tex is 60.2%, with the remaining 39.8% influenced by other factors outside the scope of the study.

Discussion

The Influence of Work Discipline on Employee Performance at PT XYZ Tex

According to Keith Davis (in Mangkunegara, 2017), work discipline can be defined as the implementation of management to reinforce organizational guidelines. Attitudes and behaviors in work discipline are characterized by various initiatives, willingness, and desire to comply with regulations. Meanwhile, Mangkunegara (2017:67) states that performance is the result of work in terms of quality and quantity achieved by an employee or staff member in carrying out their duties in accordance with the responsibilities assigned to them.

There is a significant influence of Work Discipline, which includes the dimensions of Compliance, Attendance, and Honesty, on Employee Performance at PT XYZ Tex, as indicated by the t-test statistical value of 2.510, which is absolutely smaller than the critical z value of 1.96. The standardized slope coefficient is positive at 0.339, indicating that if other variables are held constant, an increase of one unit in Work Discipline will result in an increase of 0.339 units in Employee Performance. The magnitude of the influence of Work Discipline on Employee Performance is 11.5%, while the remaining 88.5% is influenced by other factors outside the research variables.

Empirically, this shows that Work Discipline, which includes the dimensions of Compliance, Attendance, and Honesty, influences Employee Performance at PT XYZ Tex. If Work Discipline is implemented properly, it will result in improved Employee Performance.

The results of this study are in line with the research conducted by Reza Nurul et al. (2020), which found that work discipline has a significant effect on employee performance.

This is also consistent with the research conducted by Burhannudin, Mohammad Zainul, and Muhammad Harlie (2019), which showed that work discipline, work environment, and organizational commitment have a partial effect on employee performance.

Similarly, research by Christian Katiandagho et al. (2014) shows that work discipline, leadership, and motivation simultaneously have a significant influence on employee performance. Siddiq, A. M. (2023) in his research shows that work discipline, motivation, and competence have a positive and significant influence on job satisfaction. These three variables, both individually and simultaneously, contribute significantly to increasing employee job satisfaction.

The Effect of Incentives on Employee Performance at PT XYZ Tex

According to Hasibuan (2019:118), incentives are additional rewards given to certain employees whose performance is above standard. These incentive wages are a tool used to support the principle of fairness in compensation. Meanwhile, Mangkunegara (2017:67) states that performance is the result of work in terms of quality and quantity achieved by an employee or staff member in carrying out their duties in accordance with the responsibilities assigned to them.

There is a significant influence of incentives, which include the dimensions of the incentive-giving process based on groups and the incentive-giving process based on individuals, on employee performance at PT XYZ Tex, as indicated by the t-test statistical value of 3.597, which is absolutely smaller than the critical z value of 1.96. The standardized slope coefficient is positive at 0.498, indicating that if other variables are held constant, an increase of one unit in Incentives will result in an increase of 0.498 units in Employee Performance. The magnitude of the influence of Incentives on Employee Performance is 24.8%, while the remaining 75.2% is influenced by factors outside the research variables.

Empirically, this shows that incentives that include the dimensions of incentive provision based on groups and incentive provision based on individuals influence employee performance at PT XYZ Tex. If incentives are implemented properly, they will result in improved employee performance.

The results of this study are in line with the research conducted by Wandy Zulkarnaen and Asep Suwarna (2016), which found that incentives affect employee performance. Furthermore, this study also reinforces the research conducted by Aidil Amin Effendy and Armina Fadhilah (2018), which showed that incentives and motivation affect employee performance at PT Calibramed Jakarta Selatan.

Similarly, research by Devi Komala Ayu and Jeffry H. Sinaulan (2018) shows that incentives and work discipline partially have a positive and significant effect on employee performance.

The Effect of Work Discipline and Incentives on Employee Performance at PT XYZ Tex

Work discipline can be defined as the implementation of management to reinforce organizational guidelines. Attitudes and behaviors in work discipline are characterized by various initiatives, willingness, and desire to comply with regulations. Meanwhile, incentives are monetary rewards given by organizational leaders as recognition of employees' work performance and contributions to the organization.

Work discipline has a significant impact on performance. If employees are not disciplined in their work, their performance will be low; conversely, if employees are disciplined in their work, their performance will be high. Incentives can be defined as adequate compensation given to employees whose performance exceeds established standards. Incentives serve as a motivator for employees to work better, thereby producing better performance as well.

There is a significant influence of Work Discipline and Incentives on Employee Performance at PT XYZ Tex, as indicated by the F-test statistic value of 88.521, which is greater

than the critical F value of 3.074. The coefficient of determination is 0.602 or 60.2%, indicating that the combined influence of Work Discipline and Incentives on Employee Performance is 60.2%, while the remaining 39.8% is influenced by other factors outside the scope of this study.

Empirically, this shows that Work Discipline and Incentives have a significant effect on Employee Performance. If employees have good work discipline and the company provides fair incentives, employee performance will be achieved. This study is in line with previous research conducted by Achmad Rozi (2019), which found that Incentives and Work Discipline have a simultaneous effect on employee performance.

Other studies supporting this research include those conducted by Tania Juliani (2017), who stated that "Overall, incentives, work disciplines, and educational levels have a good impact on employee performance. Therefore, the results can be concluded that testing of hypotheses about the influence of incentives, work discipline, and level of education simultaneously on employee performance is acceptable. Individually, incentives, work discipline, and educational levels have an impact on employee performance improvement." Similarly, research conducted by Purwanti, D. (2021) showed that there is a relationship between incentives and work discipline on the performance of educational staff at the Secretariat Unit of the University of Education Indonesia, both partially and simultaneously.

The main purpose of work discipline is for the continuity of the company or organization in accordance with the objectives of the company concerned, both today and tomorrow. Additionally, employees can comply with and adhere to the rules established by the company and participate in the norms prevailing within the organization. Meanwhile, the purpose of providing incentives by an organization is an effort to meet employees' needs. Employees will work more diligently and enthusiastically in line with the organization's expectations if the organization addresses and fulfills their needs, both material and non-material. If employees have good work discipline and the company provides incentives, then together work discipline and incentives will be able to improve employee performance. In reality, employee performance will be demonstrated by the quality and quantity of work achieved by an employee in carrying out their duties in accordance with the responsibilities assigned to them.

CONCLUSION

Based on the analysis and discussion in Chapter IV regarding the influence of Work Discipline and Incentives on Employee Performance at PT XYZ Tex, the following conclusions can be drawn:

1. Work Discipline, which includes the dimensions of Compliance, Attendance, and Honesty, has been well established in relation to Employee Performance at PT XYZ Tex.
2. Incentives, which include the dimensions of incentive provision based on groups and incentive provision based on individuals at PT XYZ Tex, have been implemented well.
3. Employee Performance, which includes Work Quality, Work Quantity, Task Implementation, and Responsibility at PT XYZ Tex, has been well established.
4. There is a significant influence of Work Discipline, which includes the dimensions of Compliance, Attendance, and Honesty, on Employee Performance at PT XYZ Tex with a direct influence of 11.5%.
5. There is a significant influence of Incentives, which includes the dimensions of Incentive Distribution Process Based on Groups and Incentive Distribution Process Based on Individuals, on Employee Performance at PT XYZ Tex, with a direct influence of 24.8%.
6. There is a significant influence of Work Discipline and Incentives on Employee Performance at PT XYZ Tex with a simultaneous influence of 60.2%.

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