The Influence of Incentives and Work Discipline on Employee Performance (Study on Pharmaceutical Companies)

Original Article

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Abstract

Indonesia's pharmaceutical industry grows 7-10% yearly with a market over IDR 100 trillion. However, companies like PT Bina San Prima struggle to improve employee performance, unsure which incentives and discipline policies work best to boost productivity and stay competitive. The main objective of this research is to investigate how incentives and adherence to rules impact the performance of employees at PT Bina San Prima, which is a pharmaceutical company located in Sukabumi. To achieve this, a quantitative method was employed, involving the use of multiple linear regression analysis to assess the connection between different factors. The study included all staff members of PT Bina San Prima, with a total of 51 participants chosen through a method of probability sampling. Information was gathered via surveys using a scale of measurement, with tests conducted to confirm the accuracy and consistency of the data-collecting tools. The examination findings reveal that both rewards (X1) and adherence to rules (X2) positively and notably impact employee productivity (Y), with adherence to rules having a more pronounced effect. An 82% coefficient of determination (R^2) signals that the combined variables of rewards and adherence to rules can account for the majority of fluctuations in employee productivity, although 18% can be attributed to other factors. This research proposes enhancing discipline schemes and enhancing rewards to enhance employee productivity. Weaknesses of this research include the concentration on a restricted number of variables and the utilisation of a quantitative method that disregards the qualitative aspect.

Keywords: Employee Performance, Human Resource Management, Incentives, Pharmaceutical Industry, Work Discipline.

1. Introduction

Employee performance is one of the key factors in achieving organisational goals, especially in the highly competitive pharmaceutical industry. In Indonesia, the pharmaceutical industry continues to show significant growth, with an average growth of around 7-10% per year over the past few years (Husada & Tjandrawinata, 2013). The industry contributes greatly to the national economy, with an estimated market value of more than IDR 100 trillion (Kharas & Bhattacharya, 2023). In a constantly evolving business environment, large pharmaceutical companies must be able to optimise the performance of their employees in order to survive and excel in the competition. PT Bina San Prima Sukabumi, as one of the leading pharmaceutical companies in Indonesia, strives to improve employee productivity and efficiency through various strategies, including the provision of incentives and the implementation of strict work discipline.

Providing incentives is one of the company's efforts to motivate employees to work better and achieve company targets (Husain, 2024). Incentives, both in financial forms such as bonuses and non-financial forms such as awards, are expected to increase employee motivation and loyalty. Data from the Indonesian Ministry of Manpower shows that companies that provide incentives regularly tend to have higher employee retention rates. Some studies also show that incentives that are given appropriately and fairly can have a positive impact on employee performance, because employees feel appreciated and motivated to work more optimally (Drake et al., 2007).

In addition to motivating factors, maintaining proper work conduct also plays a crucial role in boosting employee productivity. Demonstrating good work discipline involves being on time, adhering to rules, and taking responsibility for completing tasks. In Indonesia, a survey from the Association of Human Resource Management (AMSDM) states that businesses with a strong system of work discipline often display higher levels of productivity and efficiency. It is generally believed that a stringent work discipline fosters a well-organised and effective work setting, ultimately benefiting employee productivity (Saint-Martin et al., 2018).

This research seeks to examine how incentives and workplace behaviour impact the performance of employees at PT Bina San Prima Sukabumi. The goal is to gain insights into the factors influencing employee performance in the pharmaceutical sector and suggest strategies for companies to enhance their employees' effectiveness.

2. Literature Review

2.1. Employee Performance

Employee performance is the work or output produced by an individual in an organisation that reflects his or her contribution to the organisation's goals (Dugguh & Dennis, 2014). Employee performance includes various aspects, such as work quality, work quantity, timeliness, and responsibility. According to Osei and Ackah (2015), good employee performance contributes to the success and competitiveness of the company, especially in competitive industries such as pharmaceuticals. To measure employee performance, several indicators can be used, including the ability to complete tasks, time effectiveness, and individual productivity levels.

There are multiple factors that can impact an employee's performance, such as the conditions in which they work, the way their skills are managed, their drive and enthusiasm, and their abilities. According to research by Ali et al. (2019), effective talent management can improve employee performance through skills development and clear career opportunities. Another study by Oteshova et al. (2021) showed that a corporate environment that encourages new ideas and teamwork is crucial for enhancing the efficiency of staff members, particularly within the manufacturing industry.

Furthermore, Odhiambo (2018) found that training and development programmes tailored to employee needs have a significant impact on increasing productivity and work efficiency. Research results from Singh and Jain (2013) also show that employees who feel appreciated and supported by their company are more likely to perform well, as job satisfaction is closely linked to employee performance.

Meanwhile, research by Yang and Wan (2004) states that good knowledge management can help employees share information and expertise, which in turn increases work effectiveness and efficiency. Another study by Atmojo (2015) highlighted that transformational leadership significantly impacts employee performance by inspiring and motivating employees to reach the goals set by the organisation.

In addition, according to Krauss and Snyder (2009), the implementation of digital technology in employee performance management can improve assessment accuracy and facilitate the management of individual and team targets. The study by Kim (2014) also underlines the importance of work flexibility and work-life balance in influencing performance, especially in the post-pandemic era.

Furthermore, Alkandi et al. (2023) found that fair compensation and incentive factors also contribute to increasing employee motivation and performance in the service sector. Finally, research by Martone (2003) showed that the implementation of a competency-based appraisal system can help organisations evaluate employee performance more objectively and on target.

2.2. Incentives

In the corporate world, incentives are provided to employees in order to recognise their efforts and encourage them to meet specific goals (Manjenje & Muhanga, 2021). Incentives can be divided into two types: financial incentives (such as bonuses, commissions, and allowances) and non-financial incentives (such as rewards, recognition, and career development opportunities). Based on a study conducted by Noe and colleagues in 2019, offering appropriate rewards can enhance the drive and contentment of workers, leading to a favourable influence on their productivity. Incentives can also increase employee loyalty and lower turnover rates, which is especially important in the pharmaceutical industry where retention of competent employees is key to success.

Offering rewards has been proven to greatly influence the motivation and productivity of employees. According to research by Shen et al. (2017), financial incentives, such as performance-based bonuses, can increase employee productivity, especially when the targets given are clear and measurable. Another study by Lima et al. (2024) showed that non-financial incentives, such as public recognition and awards, can also encourage employees' intrinsic motivation and strengthen their attachment to the company.

In addition, research by Manjenje and Muhanga (2021) found that a combination of financial and non-financial incentives is more effective in increasing employee satisfaction and loyalty than if only one type of incentive is given. A study conducted by Samuel and Chipunza (2009) also revealed that providing incentives linked to career development, such as training and promotion opportunities, can increase employee retention and reduce turnover rates, especially in the service sector.

A study conducted by Nugraha and Rukhviyanti (2024) revealed that employee productivity at PT BRI Sukabumi Branch Office is positively influenced by work discipline and work-life balance. The research findings indicate that the regression model employed in the analysis is statistically significant, suggesting that the independent variables have a noteworthy impact on productivity. It was observed that both work discipline and work-life balance play a crucial role in determining the level of productivity in employees. Therefore, it is important for management to actively manage these two factors to improve employee performance and satisfaction.

Furthermore, research from Gomez-Mejia and Franco-Santos (2015) states that team-based financial incentives can strengthen collaboration between employees, creating a more harmonious and productive work environment. A study by Astuti et al. (2023) showed that incentive programmes tailored to the needs and preferences of individual employees can increase the effectiveness of the programme, as employees feel more valued and motivated.

Another study by Kabir and Parvin (2011) found that in the pharmaceutical industry, incentives in the form of health and welfare benefits are an important factor in increasing employee loyalty and commitment. Capnary et al. (2018) also underlined that providing

incentives in the form of flexible working hours or facilities for work-life balance can contribute positively to job satisfaction and employee motivation, especially among the millennial generation.

According to a study by Mujtaba and Shuaib (2010), companies that implement transparent and fair incentive programmes succeed in creating a more competitive and equitable work environment, which has an impact on improving overall team performance. Finally, a study by Heinrich and Marschke (2010) showed that periodic evaluation of incentive programmes and adjustments based on employee feedback can increase the effectiveness of the programme and ensure incentives remain relevant to company goals.

2.3. Work Discipline

Work discipline refers to employee behaviour in obeying the rules, procedures, and work ethics set by the company (Maryani et al., 2021). Good work discipline includes punctuality, adherence to company regulations, and seriousness and responsibility in completing assigned tasks. Prasetiyani et al. (2025) suggest that maintaining a strict work discipline can lead to a well-organized workplace that enhances employee efficiency and performance. Conversely, lack of discipline may cause disruptions in operations and lead to a decline in the quality of work produced by the company.

Maintaining operational efficiency and employee productivity relies heavily on adhering to strict work discipline. According to research by Windarko et al. (2023), consistent punctuality and adherence to standard operating procedures significantly improve work efficiency, especially in the manufacturing sector. Another study by Campbell (2000) shows that businesses that establish a consistent system for monitoring and evaluating employee behaviour tend to achieve a workplace that is more organised and efficient.

In addition, research by Itang (2015) found that good work discipline is not only related to compliance with rules, but also to a proactive attitude in carrying out tasks, which contributes to improving service quality in the service sector. A study by Resnadita (2020) revealed that training on the values of discipline and responsibility was able to increase employees' awareness of the importance of obeying regulations and work ethics, thus having a positive impact on their productivity.

Purwati and Muhiban (2023) study showed that at PT Bina San Prima Sukabumi, the level of work discipline greatly impacts employee performance. The strong work discipline indicates effective management, leading to favourable outcomes in employee performance. Through regression analysis, it was discovered that a substantial connection exists between work discipline and performance, with work discipline playing a crucial role in enhancing employee performance. The results of hypothesis testing validate this discovery, as the calculated t value surpasses the t table value, affirming the considerable impact of work discipline on employee performance.

Furthermore, Abrams and Nolan (1985)found that the existence of firm but fair sanctions against discipline violations can reduce absenteeism and increase employee seriousness at work. Research by Cendriyani (2023) emphasised that work discipline combined with rewards for good performance can build a positive and productive work culture.

The study by Lowry (2016) also mentioned that clear communication regarding company rules and expectations helps employees understand and comply with established work standards. According to research by Bauer et al. (2014), work discipline is also related to employee well-being, where an orderly and organised work environment can reduce stress and increase motivation. Finally, research by Sucipto et al. (2025) found that the implementation

of sustainable character development and work ethics programmes in companies can create deeper and more sustainable discipline among employees.

2.4. The Effect of Incentives on Employee Performance

In the realm of employee performance, incentives play a crucial role by boosting motivation and job fulfilment. According to Herzberg's theory of motivation from 1959, factors such as incentives have the power to enhance employee morale and effectiveness. A recent study in the pharmaceutical sector conducted by Heinrich and Marschke (2010) indicates that businesses offering both monetary and non-monetary incentives typically have a workforce that is more efficient and successful. Incentives that suit employees' needs and preferences can also increase their commitment to the company.

2.5. The Effect of Work Discipline on Employee Performance

Work discipline is an important factor that affects employee performance because it is directly related to compliance and responsibility. According to research by Zhang and Tang (2019), companies that implement a strict work discipline system tend to have higher productivity levels compared to companies that do not implement work discipline effectively. Good work discipline not only ensures that employees complete tasks on time but also creates a work environment that is conducive to increasing the productivity and efficiency of the company.

Work discipline plays an important role in maintaining operational effectiveness and employee productivity. According to research by Wedaga (2012), consistent punctuality and adherence to standard operating procedures significantly improve work efficiency, especially in the manufacturing sector. Another study by Apalia (2017) shows that companies that implement a regular monitoring and evaluation system for employee discipline succeed in creating a more orderly and professional work environment.

In addition, research by Itang (2015) found that good work discipline is not only related to compliance with rules, but also to a proactive attitude in carrying out tasks, which contributes to improving service quality in the service sector. A study by Nguyen and Yeh (2022) revealed that training on the values of discipline and responsibility was able to increase employees' awareness of the importance of obeying regulations and work ethics, thus having a positive impact on their productivity.

Furthermore, Sosiady (2024) found that the existence of firm but fair sanctions for discipline violations can reduce absenteeism and increase employee seriousness at work. Research by Cendriyani (2023) emphasised that work discipline combined with rewards for good performance can build a positive and productive work culture.

Another study by Simorangkir et al. (2021)showed that leadership that sets an example and applies discipline consistently plays an important role in shaping disciplined employee behaviour. A study by Sukawati et al. (2020) also mentioned that clear communication regarding company rules and expectations helps employees understand and comply with established work standards.

According to research by Adams (2019), work discipline is also related to employee well-being, where an orderly and organised work environment can reduce stress and increase motivation. Finally, research by Collins (2010) found that the implementation of sustainable character development and work ethics programmes in companies can create deeper and more sustainable discipline among employees.

2.6. Relationship Model of Incentives, Work Discipline, and Employee Performance

Based on theory and previous research, incentives and work discipline have a strong relationship with employee performance. Vroom's (1964) motivation model in Expectancy Theory states that employees will be motivated to work better if they feel the effort they put in will result in appropriate rewards. In this case, incentives serve as external motivators that encourage employees to work harder, while work discipline acts as an internal factor that ensures employees remain consistent in achieving company targets.

3. Methods

This research method is designed to facilitate the research process by focusing on data that is rational, empirical, and fulfils certain criteria. The approach used is quantitative with probabilistic characteristics, where multiple linear regression analysis is applied. The population in this study is defined as a group of individuals, animals, plants, or other entities in a certain space or area that have specific characteristics that need to be studied to draw conclusions (Andrewartha, 2012). Based on this definition, the population studied is the employees of PT Bina San Prima, who have specific characteristics and phenomena according to the research topic, with a total population of more than 59 employees.

The sample taken from the population totalled 51 employees of PT Bina San Prima. This example selection is carried out using methods of probability sampling, guaranteeing that every individual in the population has an equal chance of being chosen, thus preserving the representativeness of the sample (Sugiyono, 2013). In this research, a group of 59 workers was chosen with an acceptable error margin of 5%, leading to a sample size of 51 participants. The method of probability sampling was utilised to uphold the accuracy of the research findings and ensure that the sample represents the population accurately.

This study uses primary data collected through questionnaires distributed to primary packaging operators at PT Bina San Prima. Data were analysed using descriptive techniques with an ordinal scale. The survey featured five different response choices: strongly disagree, disagree, neutral, agree, and strongly agree. To assess validity, Pearson correlation was performed, while reliability was evaluated using the Cronbach Alpha coefficient. Various classic assumption tests, such as normality, multicollinearity, and heteroscedasticity tests, were carried out to guarantee the credibility and dependability of the multiple linear regression model.

The study involved carrying out hypothesis testing through the use of multiple linear regression analysis in order to assess the correlation between the independent and dependent variables. In this analysis, the t-test was utilised to evaluate the individual impact of each independent variable, while the F-test was employed to examine the overall impact of all independent variables on the dependent variable. Additionally, the coefficient of determination (R^2) was used to evaluate the accuracy of the model in explaining the fluctuations in the dependent variable, with a negative Adjusted R^2 value being treated as zero.

4. Results and Discussion

4.1. Research Results

4.1.1. Validity Test

A test was carried out to determine the validity of the items in the research tool in relation to the concept being investigated. Validity is determined by comparing the rvalue with the r table value at a significance level of 0.05. In this particular research, the sample size consisted of 55 participants, hence the r table value was calculated to be 0.266.

The validity test results show that the r value for each item is greater than or equal to the r table value (r value ≥ r table). Therefore, it can be concluded that all items in the research instrument are valid and reliable for further measurement.

4.1.2. Reliability Test

The test of dependability utilises the Cronbach Alpha technique with a minimum threshold of 0.6. As per Nunnally in Imam Ghozali, a construct or variable is deemed dependable if the Cronbach Alpha score exceeds 0.600.

The test findings reveal that the Cronbach Alpha score for the motivator variable (X1) stands at 0.776, signifying the acceptability and reliability of this variable. The second variable, work ethics (X2), displayed a Cronbach Alpha score of 0.912, further confirming a strong level of dependability. Moreover, the third variable, employee productivity (Y), demonstrated a Cronbach Alpha score of 0.788, also meeting the acceptable criteria.

4.1.3. Descriptive Analysis

Descriptive analysis was carried out to describe respondents' responses to the variables studied.

1) Employee Work Productivity (Y): Respondents' responses regarding employee work productivity resulted in a total score of 1,973. This score is then divided by the ideal total score of 2,295, resulting in a percentage of 86%. This percentage is entered into a predetermined continuum line, and the results show that employee work productivity is in good criteria.

2) Incentives (X1): Respondents' responses regarding incentives obtained a total score of 2,033. After being divided by the ideal total score of 2,805, a percentage of 72% was obtained. This percentage is also entered into the predetermined continuum line, and the results show that incentives are in good criteria.

3) Work Discipline (X2): Respondents' responses regarding work discipline obtained a total score of 1,827. By dividing this score by the ideal total score of 2,040, a percentage of 90% was obtained. This percentage is entered into a predetermined continuum line, and the results show that work discipline is in good criteria.

4.1.4. Classical Assumption Test

The classical assumption test consists of normality test, multicollinearity test, and heteroscedasticity test:

1) Normality Test

The study conducted a normality test using SPSS software. The outcomes of the test indicated the following:

a. Test Statistics: The obtained test statistic value is 0.088, with a significance value (Monte Carlo Sig. (2-tailed)) in the one-sample Kolmogorov-Smirnov test is 0.200. Since this significance value is greater than 0.05, it can be concluded that the residual values follow a normal distribution.

b. Normality Graph: The normality graph analysis using the histogram shows that the curve lines form a bell pattern, which is an indication of normal distribution. In addition, the P-P Plot graph shows that the data has spread over the diagonal line area and follows the histogram line pattern.

According to the two analyses conducted, it is possible to deduce that the data in this research follows a normal distribution.
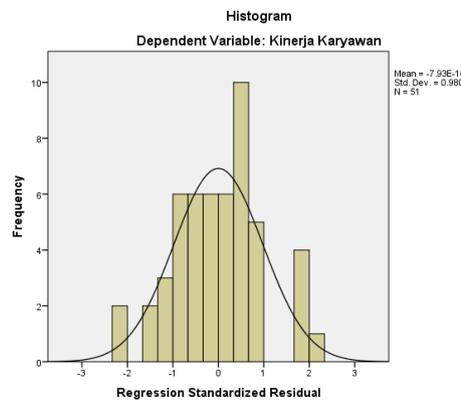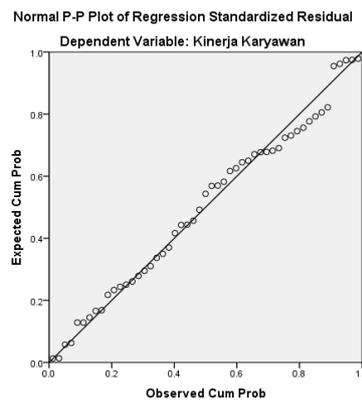

Figure 1. Normality Histogram Graph

Figure 2. Normal Probability Plot Normality

2) Multicollinearity Test

The results of the multicollinearity test indicate that the relationship between variables X1 (Incentives) and X2 (Work Discipline) has a Variance Inflation Factor (VIF) value of 1.648, which is below the critical threshold of 10. Moreover, the tolerance value for both variables is 0.607, exceeding the minimum requirement of 0.10. Therefore, it can be inferred from these findings that there is no issue of multicollinearity between variables X1 (Incentives) and X2 (Work Discipline) in the research model.

3) Heteroscedasticity Test

The purpose of the heteroscedasticity test is to determine if the regression model exhibits varying residual variations. By examining the scatterplot, we can observe how the standardised predicted value relates to the standardised residuals.

a) Distribution Pattern: In this scatterplot, the residual points are randomly scattered around the zero line, without forming a particular pattern. This indicates that the residual variation is consistent across the range of predicted values.

b) Heteroscedasticity: Since the residual points do not show any particular pattern (such as clear clustering or conical shape), it can be concluded that there is no indication of

heteroscedasticity problem in this model. This means that the assumption of homoscedasticity (equal residual variance) is met.

c) Conclusion: In the absence of systematic patterns in the residuals, the regression model used can be considered to fulfil one of the basic assumptions of regression analysis, namely homoscedasticity. Therefore, further analyses on this model can be conducted with confidence that the results will be valid and reliable.
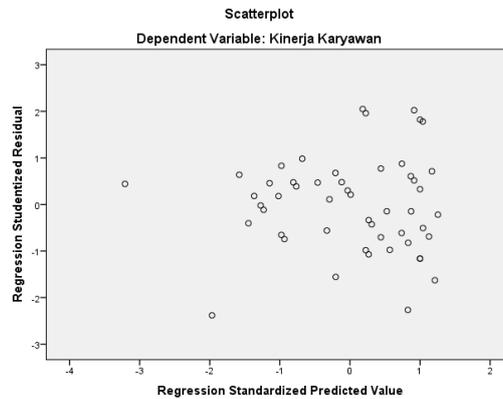

Figure 3. Heteroscedasticity Scatterplot

4.1.5. Hypothesis Test

The process of hypothesis testing involves various statistical tests such as multiple linear regression analysis, tests for coefficient of determination (R^2), t-tests, and f-tests. The analysis in this study was conducted using the SPSS software program. Below are the findings from the hypothesis testing.

1) Multiple Linear Regression Analysis Test

The multiple regression equation obtained is as follows:

$$Y = 10{,}607 + 0{,}122X_1 + 0{,}742X_2$$

The interpretation of this regression equation is:

a. Constant (10.607): If the incentive (X_1) and work discipline (X_2) variables are both zero, then employee performance (Y) is predicted to have a value of 10,607. This shows that there is a basic value of employee performance even though there is no influence from incentives and work discipline.

b. Coefficient X_1 (0.122): If the incentive variable (X_1) increases by one unit, assuming the work discipline variable (X_2) is fixed, then employee performance (Y) is expected to increase by 0.122. This shows that incentives have a positive influence on improving employee performance.

c. X_2 coefficient (0.742): If the work discipline variable (X_2) increases by one unit, assuming the incentive variable (X_1) is fixed, then employee performance (Y) is expected to increase by 0.742. This shows that work discipline has a greater influence than incentives in improving employee performance.

These results indicate that both incentives and work discipline contribute positively to improving employee performance, with work discipline having a more significant effect.

2) Coefficient of Determination Test (R²)

The Adjusted R Square (R²) value obtained is 0.820 or 82.0%. This shows that the incentive and work discipline variables together affect the employee performance variable by 82.0%. Meanwhile, the remaining 18.0% is influenced by other factors outside the variables used in this study.

Thus, these results indicate that the model used is strong enough to explain variations in employee performance based on incentive and work discipline variables. However, there are still other factors that contribute to employee performance that are not explained in this study.

3) T-test

T test for X1 and X2 Variables

a) Variable X1 (Incentives). Based on the t test results, the t value for variable X1 is 2.116 with a significance level of 0.05/2 = 0.040 (2-sided test) and degrees of freedom (df) of n - k - 1 = 55 - 2 - 1 = 52. The t table value obtained is 2.011. Because the calculated t value (2.116) is greater than the t table (2.011), H_a is accepted. This shows that the incentive variable has a partially significant effect on employee performance.

b) Variable X2 (Work Discipline). For variable X2, the calculated t value is 10.061 with a significance level of 0.05/2 = 0.000 (2-sided test) and a degree of freedom (df) of 52. The t table value obtained is 2.116. Because the calculated t value (10.061) is greater than the t table (2.116), then H_a is accepted. These results indicate that the work discipline variable has a partially significant effect on employee performance.

From the test results, it can be concluded that both incentives and work discipline partially have a significant influence on employee performance.

4) F-test

The analysis of the F test on the incentive and work discipline factors revealed a calculated F value of 109.089, which surpasses the significance level of 0.05. With the calculated F value exceeding the F table value of 3.190, the alternative hypothesis is affirmed. These findings suggest that both incentive and work discipline elements contribute significantly to employee performance, suggesting a combined impact on enhancing work performance.

4.2. Discussion

The examination of the findings from this research demonstrates the utilization of tools and statistical methods in assessing the correlation between rewards, work ethics, and overall employee productivity, and how these findings align with existing theoretical frameworks and prior research.

4.2.1. Validity and Reliability Test

The validity assessment indicates that every item on the research tool is valid, as the rvalue is equal to or greater than the r table value. This indicates that the tool is trustworthy for evaluating the intended concept. Ensuring instrument validity is crucial in research to guarantee the accuracy and significance of collected data. It aligns with the principle that a reliable measurement tool should accurately represent the concept being assessed (Robbins & Judge, 2012).

The reliability test with a Cronbach Alpha value above 0.6 for all variables shows that the instrument used is also reliable. Nunnally in Imam Ghozali argues that the Cronbach Alpha value above 0.6 indicates an acceptable level of consistency. These results support research by

Darmawan et al. (2020) which emphasises the importance of valid and reliable instruments to ensure accurate measurement of employee performance.

4.2.2. Descriptive Analysis

Descriptive analysis describes respondents' responses to work productivity, incentives, and work discipline. The results show that all variables are in the good criteria, with percentages between 72% and 90%. This indicates that respondents' perceptions of incentives, work discipline, and employee productivity tend to be positive. This finding supports Armstrong's (2022) theory that factors such as motivation and work environment, including incentives and discipline, affect employee performance.

4.2.3. Classical Assumption Test

The tests for normality, multicollinearity, and heteroscedasticity show that the regression model fulfils all the necessary basic assumptions. The normal distribution of data and the absence of multicollinearity or heteroscedasticity indicate that the regression model used is reliable and valid for further analysis. This is in line with the findings of Henley (2005) who emphasised the importance of ensuring the validity of statistical models to produce accurate conclusions.

4.2.4. Hypothesis Test

The test results from the multiple linear regression indicate that both incentives (X1) and work discipline (X2) positively impact employee performance (Y), with work discipline exerting a stronger influence. The regression equation reveals that a rise of one unit in either the incentive or work discipline variable can enhance employee performance, with work discipline making a more substantial difference.

This finding is consistent with research by Putra & Rahayu (2019), which states that talent management and motivation factors (in this case, incentives) contribute to improving employee performance. In addition, work discipline as a more significant factor supports Al Zefeiti and Mohamad (2017) theory, which states that individual commitment and responsibility to work have a major impact on performance.

4.2.5. T-test and F-test

According to the results of the t test, it is evident that both incentives and work discipline have a partially significant impact on employee performance. The findings from the F test indicate that these two factors collectively contribute significantly to employee performance. This supports Robbins and Judge (2012) theory that various factors such as incentives and work environment (including discipline) can collectively improve performance.

4.2.6. Determination Coefficient Test (R^2)

The Adjusted R Square figure of 82% suggests that the combination of incentive and work discipline factors can account for the majority of the fluctuations in employee performance. Nonetheless, 18% of the variance is still attributable to unidentified factors not covered in this research. This suggests that while incentives and work discipline play an important role, there are other factors such as talent management, internal motivation, and work environment that are also relevant, as mentioned by Kusuma et al. (2019).

In general, this study demonstrates that incentives and adherence to rules at work play a crucial role in enhancing employee productivity, either individually or collectively. These findings validate the principles and earlier studies cited by Robbins and Judge (2012), Armstrong (2022), and other researchers, highlighting the significance of motivation, rewards, and work discipline in enhancing employee effectiveness within companies.

5.   Conclusion

This study demonstrates that both incentives and work discipline significantly influence employee performance at PT Bina San Prima in Sukabumi, with work discipline exerting a notably stronger effect ($\beta = 0.742$) than incentives ($\beta = 0.122$). Together, these two variables account for 82 percent of the variance in performance, indicating a robust model, although 18 percent remains attributable to factors beyond the current research framework.

In light of these findings, PT Bina San Prima is encouraged to further strengthen its work discipline initiatives, through more rigorous training programs and enhanced supervisory mechanisms, to sustain and even improve performance levels. At the same time, the company should refine its incentive scheme by aligning rewards more closely with employee needs and preferences, thereby maximizing the motivational impact of these incentives.

Nonetheless, this study has several limitations. It examines only two predictors—work discipline and incentives while overlooking other potentially influential factors such as intrinsic motivation, organizational culture, and employee welfare. Moreover, because the sample is drawn exclusively from PT Bina San Prima, the generalizability of these results to other pharmaceutical firms with different operational scales or environmental contexts may be limited. Finally, the reliance on quantitative methods precludes deeper qualitative insights into how employees perceive these incentive and discipline measures; future research incorporating mixed methods would offer a more comprehensive understanding of the drivers of employee performance.

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