

TABLE OF CONTENTS

	Page
COVER PAGE	
TITLE PAGE	
DECLARATION OF AUTHENTICITY OF FINAL PAPER AND UPLOAD AGREEMENT.....	ii
APPROVAL PAGE BY FINAL PAPER ADVISOR.....	iv
APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE.....	v
ABSTRAC	vi
ABSTRAK	vii
PREFACE	viii
TABLE OF CONTENTS.....	x
LIST OF FIGURE.....	xii
LIST OF TABLE.....	xiii
TABLE OF APPENDIX	xvii
CHAPTER I.....	1
INTRODUCTION.....	1
1.1 Background of the Study	1
1.2 Problem Limitation	9
1.3 Problem Formulation.....	9
1.4 Objective of Research.....	10
1.5 Benefit of the Research	10
1.5.1 Theoretical Benefit	10
1.5.2 Practical Benefit	10
CHAPTER II.....	12
LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT	12
2.1 Theoretical Background	12
2.1.1 Entrepreneurship	12
2.1.2 Family Business	16
2.1.3 Human Resource Management	18
2.1.4 Incentives	19
2.1.5 Working Environment	25
2.1.6 Employees Performance	32
2.1.7 Relationship between Incentives and Employee's Performance.....	39
2.1.8 Relationship between Work Environment and Employee Performance.....	40
2.2 Previous Research	41
2.3 Hypothesis Development.....	47
2.4 Research Model.....	48

2.5	Framework of Thinking	50
CHAPTER III.....		51
RESEARCH METHODOLOGY		51
3.1	Research Design.....	51
3.2	Population and Sample	52
3.3	Data Collection Method.....	54
3.4	Operational Variable Definition and Variable Measurement	55
3.5	Data Analysis Method	58
3.5.1	Descriptive Statistical Analysis.....	59
3.5.2	Research Instrument Test.....	61
3.5.3	Classical Assumption Test	63
3.5.4	Multiple Linear Regression Analysis	65
3.5.6	Hypothesis Test	67
CHAPTER IV.....		69
RESEARCH RESULT AND DISCUSSION.....		69
4.1	General View of “Research Object”	69
4.1.1	History of PT Agrindo Anugrah Alam Raya, Medan	69
4.1.2	The vision and mission of PT Agrindo Anugrah Alam Raya, Medan.....	69
4.2	Organizational Structure.....	70
4.2.1	Job Description.....	70
4.2	Research Result and Discussion	74
4.2.1	Descriptive Statistics	74
4.2.2	Test of Research Instrument	96
4.2.3	Result of Data Quality Testing	98
4.2.4	Result of Hypothesis Testing	106
4.3	Discussion.....	108
CHAPTER V.....		123
CONCLUSION.....		123
5.1	Conclusion	123
5.2	Managerial Implication	124
5.3	Recommendation.....	129
REFERENCE.....		131

LIST OF FIGURE

	Page
Figure 1. 1 Average of Employees' annual KPI.....	6
Figure 2. 1 Research Model	49
Figure 2. 2 Framework of Thinking.....	50
Figure 4. 1 Organization Structure of PT Agrindo Anugrah Alam Raya, Medan.	70
Figure 4. 2 Histogram of Normality Test	99
Figure 4. 3 P-P Plot of Normality Test	99
Figure 4. 4 Scatterplot of Heteroscedasticity Test.....	102

LIST OF TABLE

	Page
Table 1. 1 Competitor of PT Agrindo Anugrah Alam Raya, Medan	5
Table 1. 2 Employee Data from 2017 to 2020	6
Table 2. 1 Previous Research	44
Table 3. 1 Definition of Operational Variables	55
Table 3. 2 Likert Scale	57
Table 4. 1 Likert Scale	74
Table 4. 2 Respondents Identity Based on Gender	75
Table 4. 3 Respondents Identity Based on Age	75
Table 4. 4 Respondents Identity Based on Educational Background	76
Table 4. 5 Respondents Identity Based on Working Period	76
Table 4. 6 Q1: The company provides incentives based on employee performance.	
	77
Table 4. 7 Q2: Your performance so far has been quite good and affects the incentives received.....	77
Table 4. 8 Q3: Employee length of service affects the incentives provided.....	78
Table 4. 9 Q4: The company provides incentives based on the employee's length of service.	78
Table 4. 10 Q5: Employee seniority affects the incentives provided.	78
Table 4. 11 Q6: The company provides incentives based on employee seniority	79

Table 4. 12 Q7: The incentives provided by the company are sufficient to meet your daily needs.....	79
Table 4. 13 Q8: You will work even harder to get additional incentives so that all your needs are met	80
Table 4. 14 Q9: Employees feel fair to the incentives provided by the company.	80
Table 4. 15 Q10: The incentives provided by the company are quite decent.	80
Table 4. 16 Q11: Employee job evaluation affects the incentives provided.....	81
Table 4. 17 Q12: The company provides incentives based on employee job evaluation.	81
Table 4. 18 Questionnaires Analysis of Incentives	82
Table 4. 19 Q1: I like the working environment of my company.	83
Table 4. 20 Q2: I am satisfied with the work environment in my company.	83
Table 4. 21 Q3: I feel comfortable with my work environment.....	84
Table 4. 22 Q4: My work environment increases my productivity.	84
Table 4. 23 Q5: I have good cooperation and communication with my colleagues.	84
Table 4. 24 Q6: I make friends with my co-workers outside of work hours.	85
Table 4. 25 Q7: I trust my co-workers.....	85
Table 4. 26 Q8: My co-workers have had a positive influence on me.	85
Table 4. 27 Q9: Having equipment makes my job easier.	86
Table 4. 28 Q10: The company provides all the equipment related to my job.	86
Table 4. 29 Questionnaires Analysis of Working Environment.....	87
Table 4. 30 Q1: I value my work and complete my work wholeheartedly.	88

Table 4. 31 Q2: I always maintain a good quality of work.....	88
Table 4. 32 Q3: I am responsible for all the results of my work.....	88
Table 4. 33 Q4: I finish my job according to what my boss wants.	89
Table 4. 34 Q5: I finish my work on time.....	89
Table 4. 35 Q6: I make the most of my time.....	89
Table 4. 36 Q7: I contribute in achieving maximum benefit for the company.	90
Table 4. 37 Q8: I always make sure that the company avoids losses.....	90
Table 4. 38 Q9: I am able to complete my assignments independently.	90
Table 4. 39 Q10: I feel confident with the results of my work.	91
Table 4. 40 Q11: I am a role model for myself.	91
Table 4. 41 Q12: I always make sure to maintain a good reputation of myself....	92
Table 4. 42 Questionnaires Analysis of Employee Performance	92
Table 4. 43 The Interval Class of Incentives.....	93
Table 4. 44 The Interval Class of Working Environment	94
Table 4. 45 The Interval Class of Employee's Performance.....	94
Table 4. 46 Mean, Median and Mode Calculation Statistics	94
Table 4. 47 Validity Test of Variable X1	97
Table 4. 48 Validity Test of Variable X2.....	97
Table 4. 49 Validity Test of Variable Y.....	97
Table 4. 50 Reliability test of variable X1	98
Table 4. 51 Reliability test of variable X2	98
Table 4. 52 Reliability test of variable Y	98
Table 4. 53 Normality Test	100

Table 4. 54 Linearity Test	101
Table 4. 55 Linearity Test	101
Table 4. 56 Glejser Test	103
Table 4. 57 Tolerance and VIF Value.....	104
Table 4. 58 Multiple Linear Regression Analysis	105
Table 4. 59 Determination Test	107
Table 4. 60 T Test.....	107
Table 4. 61 F Test	108

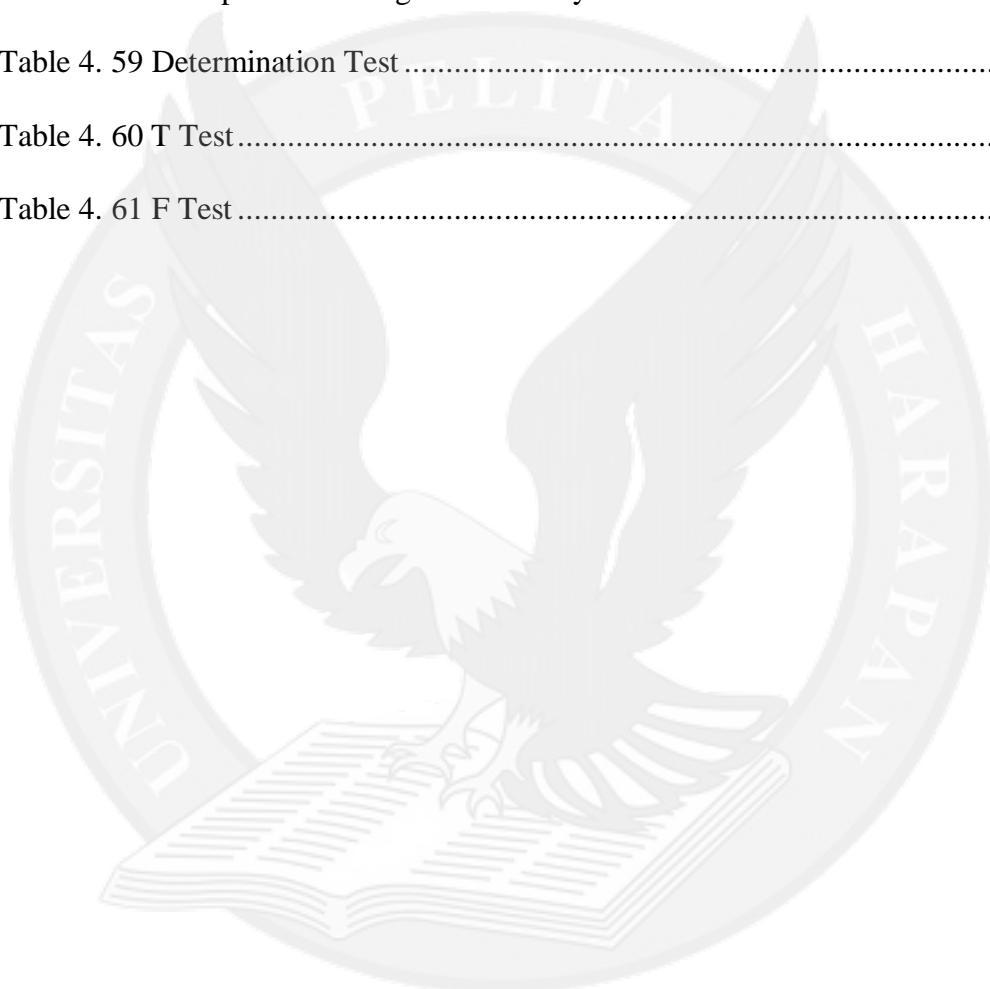


TABLE OF APPENDIX

APPENDIX A : QUETIONNARIES

APPENDIX B : RESPONDENT ANSWER OUTPUT

APPENDIX C : INSTRUMENT TEST DATA

APPENDIX D : DATA QUALITY ANALYSIS

APPENDIX E : RESEARCH MODEL TESTING

APPENDIX F : HYPOTHESIS TEST

APPENDIX G : APPROVAL LETTER