

**THE INFLUENCE OF PERFORMANCE ALLOWANCE AND EMPLOYEE
DEVELOPMENT TO EMPLOYEE PERFORMANCE IN STATE ASSETS AND SERVICE
OFFICE MANADO**

*PENGARUH TUNJANGAN KINERJA DAN PENGEMBANGAN KARYAWAN TERHADAP KINERJA
KARYAWAN DI KANTOR PELAYANAN KEKAYAAN NEGARA DAN LELANG MANADO*

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Abstract: An organization or company's best asset is human resource or in this case is employee, because employee performance is related to organization or company's performance. Performance allowance as a employee's benefits program that is very important in order to realize the goal of the company. The type research is a quantitative research. The purpose of this research is to determine the effect of performance allowance and employee development in KPKNL Manado, simultaneously and partially. The data was taken using questionnaire to 38 respondents which are all of the employees in KPKNL Manado by using saturated sampling method. Research result shows there is a significant effect of performance allowance and employee development on employee performance simultaneously, there is a significant effect of performance allowance on employee performance, partially. And there is no significant effect of employee development on employee performance, partially. The performance allowance greatly affect the quality of employee performance, it is important to KPKNL Manado so I recommend that performance allowance should be raised to support the employee and employee performance will increase.

Keywords: *performance allowance, employee development, employee performance*

Abstrak: Modal terbaik dari suatu organisasi atau perusahaan adalah sumber daya manusia atau karyawan, karena kinerja karyawan terkait dengan organisasi atau kinerja perusahaan. Tunjangan kinerja merupakan program kesejahteraan karyawan yang sangat penting dalam rangka mewujudkan tujuan perusahaan. Tujuan penelitian untuk mengetahui pengaruh dari tunjangan kinerja dan pengembangan karyawan terhadap kinerja pegawai di KPKNL Manado secara. Jenis penelitian adalah penelitian kuantitatif. Data diambil menggunakan kuesioner dari 38 responden dengan menggunakan metode saturation sampling. Hasil penelitian menunjukkan terdapat pengaruh yang signifikan dari tunjangan kinerja dan pengembangan karyawan terhadap kinerja karyawan secara simultan, dan terdapat pengaruh yang signifikan dari tunjangan kinerja terhadap kinerja karyawan sedangkan tidak terdapat pengaruh yang signifikan dari pengembangan karyawan terhadap kinerja karyawan. Tunjangan kinerja berpengaruh terhadap kinerja karyawan, sehingga saya menyarankan tunjangan kinerja bagi para karyawan lebih ditingkatkan lagi, untuk mendukung kinerja karyawan.

Kata kunci: *tunjangan kinerja, pengembangan karyawan, kinerja karyawan*

INTRODUCTION

Research Background

In a company is very important to set up programs that can support the performance of employees. At this time there is no single person who wants to work without being paid. Even at this moment all the companies vying to provide facilities for their employees like reward, employee development, healthcare and others. It aims that their employees can improve their performance so that the company will also automatically become a good company.

Company should have qualified employee and capable to give their best to the company's satisfying. If the company expects its employees to do their best, the companies also have to appreciate it. Company must provide some programs that can meet the needs of employees and support their performance. Compensation, reward and performance allowance is some of the program created by the company to the employees. In a company, Human Resource Department is very important because it is related to company's employees in the form of choosing employees to work for the company, arranging the employee compensation, training and arranging the work placemen. Those roles prove that a good company performance is highly related to a good performance of its Human Resource Department.

Presidential decree defined that performance allowance in 2016 was raised for the whole of the finance ministry, is due to the achievement of targets achieved very satisfactory. Giving performance allowance could be a positive thing. The existence of performance allowance, is expected to spur the spirit of every employee to work more effectively, and harder. In addition, the granting of any performance allowance are expected to improve the welfare of each employee. As the name implies, allowance is also performance based on consideration of the performance of employees each month. If an employee is able to work well, employment targets will be achieved, then the allowance maximum performance is acceptable.

As the finance ministry in Republic of Indonesia, KPKNL has many programs to develop employee's capabilities such as internships, training, and the provision of scholarships to employees who want to continue their education to a higher level. The institution's performance so far are increased because every work plan that will be done through the signing of a contract of employment in advance at the beginning of the year and it will be evaluated at the end of the year. KPKNL (2015:1) defined that they achieve the targets that have been made with very satisfactory results. Based on the achievement of these targets, President made the decision to raise the performance allowance of all employees in KPKNL as a reward for having worked well and hit the target that was made.

Research Objectives

This research aims to identify the significant effect of:

1. Performance Allowance and Employee Development on Employee Performance simultaneously.
2. Performance Allowance on Employee Performance partially.
3. Employee Development on Employee Performance partially.

THEORETICAL FRAMEWORK

Theories

Human Resources Management

Human Resource Management is the policies and practices involved in carrying out the "people" or human resources aspects of a management position, including recruiting, screening, training, rewarding, and appraising (Dessler 2005: 135). According to Molokovich and Newman (2004) Human Resources Management is a decision combination which related with work relationship that influences employees and organization effectiveness. This thing can help to completing and improved on grand strategy by assure implementation of talent development and employee competent although existence of system to manage compensation and regulation problem.

Performance Allowance

Peraturan Menteri Pendayagunaan Aparatur Negara Dan Reformasi Birokrasi No 63 Tahun 2011 stated performance allowance are incentive paid to Public Servants which is a function of the successful implementation of bureaucratic reforms and based on the gains of the Civil Service which is in line with the gains of the organization where the Servants of the work. Therefore, the individual performance allowance Servants may increase or decrease in line with the increase or decrease in performance as measured by Key Performance Indicators Institute. According to Puluwulawa (2013) performance allowance is an effective instrument of organizational management to stimulate the entrepreneurial spirit in the local governance. In the development of the science of public administration paradigm, this instrument is known as new public management (NPM). This concept has focused on the management, performance, results-based accountability, the application of outsourcing to help the development of competition in the public sector.

Employee Development

Employee development means to develop the abilities of an individual and organization as a whole. So, hence employee development consists of individual or employee and overall growth of the employee as when employees of the organization would develop the organization, it would be more flourished and the employee performance would increase (Hameed and Waheed, 2011). Employee development activities are very important for the employees, as the activities are performed, it indicates that organization cares about their employees and wants them to develop. Employees are willing to learn, they show their interest in the developmental activities, as a result they are more satisfied with the job which will lead to increase in employee performance. Employee development is becoming an increasingly critical and strategic imperative for organization in the current business environment (Abbas and Yaqoob, 2009)

Employee Performance

Casio, as cited by Ojo (2009) defined performance is the extent to which an individual is carrying out assignment or task. It refers to the degree of accomplishment of the task that makes up an employee's job. The contribution of employees on job is the most important factor for development and excellence in business. Employee's performance is a major source of achieving the organization's goals. The performance of employees on different jobs in close coordination is needed for success of the unit. Employee must know what they need to do to perform their job successfully. Any organization can make progress only if its employees perform in better way.

Previous Research

Aktar, Sachu, and Al (2012) discussed about the Impact of Rewards on Employee Performance in Commercial Banks of Bangladesh: An Empirical Study by. This study provides information of the impact on employee performance and actions to influence the commercial banks for a consideration of a more systematic and structured approach to acknowledge employee's efforts which would in turn prosper high performance culture in commercial banks of Bangladesh. Hameed and Waheed (2011) discussed about Employee Development and Its Effect on Employee Performance A Conceptual Framework. This study shows that employees in a company is very important and therefore the company must provide employee development like training because it's affects the quality of employee performance. Puluwulawa (2013) discussed about Regional Performance Allowance; Its Effect to Employee Performance and the Success of Local Government in Gorontalo Province, Indonesia. This study focus on the influence of regional performance allowance in improving employee performance, and the effect of employee performance towards the success of local government or its organizational performance.

Conceptual Framework

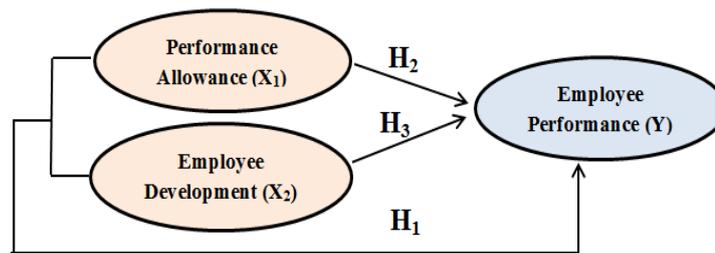


Figure 1. Conceptual Framework
Source: Data Processed, 2015

Research Hypothesis

H₁: There is significant effect of performance allowance and employee development on employee performance simultaneously.

H₂: There is significant effect of performance allowance on employee performance partially.

H₃: There is significant effect of employee development on employee performance partially.

RESEARCH METHOD

Type of Research

This is a causal research. It will determine and investigate the effect of leadership style, organizational culture, employee development and training on employee performance.

Place and Time of Research

The place of this research is in KPKNL as the Operational Office of DJKN Suluttenggomalut that located in JL. Bethesda , No 6-8, 4th floors, Manado. This research starts from March-April 2016.

Population

Cooper and Emory (1998) defined that population is collection of individuals or objects of research that has the quality and characteristics that have been defined. Based on the qualities and characteristic, the population is as a group of individuals or objects observation that at least has a characteristic, equation. The population of this research is employee in KPKNL as the Regional Office of DJKN Sulutteggomalut at Manado which consist of 38 employees.

Sample

The sample is a part of the population who are carefully selected to be representative of that population Cooper and Emory (1998). The sampling design is saturated sampling which includes all of the employee in KPKNL as the Operational Office of DJKN Suluttenggomalut at Manado which is 38 employees.

Sampling Method

Zikmund (2003) defined that the sampling method is outlined in the research design, the actual sampling is a separate stage of the research proses. However, for convenience, the sample planning and sample generation process are treated together in this section. The final sampling decision requires the researcher to choose how the sampling units are to be selected. According to Sue and Ritter (2011) saturation sampling is not a technique per se but an attempt to conduct a population census. Conducting a census, or collecting data in every member of a population, is an alternative-albeit an infrequently used one-to traditional survey sampling.

Sampling Size

Roscoe (1982) in Sugiyono (2014) suggested that the sample size that is proper in research is 30 to 500. Because the sampling method is saturation sampling, sample for this research is all of KPKNL employees or in this case, 38 employees.

Data Collection Method

There are two types of data collection method, primary data and secondary data. Primary data is data originated by the research specifically to address the research problem. Primary data is data originated by the researcher, specifically to address the research problem. Primary data gathered for research from the actual site of distributing questionnaire or interview Sugiyono (2014:26). In this research, researcher gets primary data by distributing the questionnaire. Questionnaires are distributed to respondents so they can directly give their respond. There were two section in the questionnaire that should be filled in by the respondents. The first section ask about respondent's characteristics and the second section asked things that are related to the variables in this research. Sekaran and Bougie (2009) define secondary data as "data gathered through such existing source". The secondary data in this research is taken from books, journal, and relevant literatures from library and internet. Secondary data is used in the research background, literature review, research method, and discussion.

Operational Definition and Measurement of Research Variables

1. Performance allowance (X_1)
Performance allowance is incentive paid to Public Servants which is a function of the successful implementation of bureaucratic reforms and based on the gains of the Civil Servants in KPKNL Manado.
2. Employee Development (X_2)
Employee Development is a process to develop the abilities of individual employee in KPKNL Manado and organization as a whole.
3. Employee Performance (Y)
Employee performance in this research is something the employees of KPKNL Manado do for the company either it is bad performance or good performance.

This research uses Likert Scale as a measurement. Malhotra and Peterson (2006) stated that the end points of a Likert Scale are typically "strongly disagree" and "strongly agree".

Data Analysis Method

Validity and Reliability Test

The validity of a scale may be defined as the extent to which differences in observed scale scores reflect true differences in what is being measured, rather than systematic or random (Malhotra & Peterson, 2006). Validity is the extent to which a construct measures what it is supposed to measure (Hair, et al, 2007). In this research the test is performed by using value of MSA (measures of sampling adequacy). If the value of MSA is above 0.5, the data is considered as valid so it can be used for further tests and analyses (Nasution & Usman, 2008 in The, 2011). Reliability refers to the extent to which a scale produces consistent results if repeated measurements are made (Malhotra and Peterson, 2006). Therefore, reliability can be defined as the extent to which measures are free from random error. A survey of instrument (questionnaire) is considered reliable if its repeated application results in consistent scores (Hair, et al., 2007). Alpha Cronbach test is utilized as reliability test in this research with following criteria; The minimum value of Alpha Cronbach must be 0.6 or it is better if the value is above 0.8 (close to 1). If the reliability coefficient (alpha) is below 0.6, it means that the measurement is considered as not consistent or not reliable (Nasution and Usman, 2008 in The, 2011).

Multiple Regression Analysis Model

Cooper and Schindler (2001) stated that multiple regression analysis is a technique to observed value more than X to estimate or predict corresponding Y value. The formula for multiple regression analysis method is as follows:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Where:

- Y : Employee performance
 a : intercept
 b_1, b_2 : the regression coefficient of each variable
 x_1 : performance allowance
 x_2 : employee development
 e : error

RESULT AND DISCUSSIONS

Result

Validity and Reliability Test

The value of Measures of Sampling Adequacy (MSA) of each indicators are above 0.5, it means that the data is considered as valid. In this research, the Alpha Cronbach is 0.899 which is above the acceptance limit of 0.6; therefore, the research instrument is reliable.

Classical Assumption

Test Multicollinearity Test

Table 1. Multicollinearity

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Performance Allowance	.642	1.558
	Employee Development	.642	1.558

a. Dependent Variable: Online Customer Satisfaction

source: Data processed, 2016

The tolerance value of performance allowance is 0.642 and employee development is 0.642 meaning that the tolerance value of each variable is more than 0.1. The VIF value of performance allowance is 1.558 and employee development is 1.558 meaning that the VIF value of each variable is less than 10. Since all the tolerance values are more than 0.1 and VIF value of each independent variable is less than 10, this research is free from multicollinearity.

Heteroscedasticity Test

Heteroscedasticity occurs of the dots form certain patterns. In this research, the dots are spreading above and below of zero point in coordinate. This proved that there is no heteroscedasticity in this regression.

Normality Test

Normality test can be identified by using graph of P-P Plot. The data will distribute normally if the value of P-P Plot is near diagonal line of the graph. In this research, the dots are spreading near the diagonal line and follow the direction of the diagonal line. Therefore, the normality test is completed.

Multiple Regression Analysis

Table 2. Multiple Regression Result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.284	3.923		2.621	.013
	Performance Allowance	.464	.152	.528	3.050	.004
	Employee Development	.091	.233	.068	.391	.698

a. Dependent Variable: Employee Performance

Source: SPSS Output (2016)

The equation is as follows:

$$Y = 10.284 + 0.464 X_1 + 0.091 X_2$$

The explanations of the equation are:

1. Constant value of 10.284 means that in a condition of *ceteris paribus*, if all independent variables are constant (zero), employee performance (Y) as dependent variable will be 10.284.
2. X_1 's coefficient value of 0.464 means that in condition of *ceteris paribus*, if performance allowance is increased by one scale or one unit, it will improve and increase employee performance (Y) by 0.464.
3. X_2 's coefficient value of 0.091 means that in condition of *ceteris paribus*, if employee development is increased by one scale or one unit, it will improve and increase employee performance (Y) by 0.091.

The multiple linear regression result shows that performance allowance and employee development have relationship with employee performance, where performance allowance has the closest relationship followed by employee development.

Testing the Goodness of Fit: Coefficient of Correlation (R) and Coefficient of Determination (R^2)

Table 3. Result of R and R^2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.571 ^a	.326	.288	2.315

a. Predictors: (Constant), Performance Allowance, Employee Development

b. Dependent Variable: Employee Performance

Source: SPSS Output (2016)

The coefficient of correlation (R) measures if there is significant relationship between the three independent variables with dependent variable. The value of R is 0.571 proves that independents variables and dependent variable have substantial positive association. The coefficient of determination (R^2) measures how far the ability of a model in explaining variation of dependent variable. The value of R^2 is 0.326 which shows that the linear relationship in this model is able to explain 32.6% employee performance (Y) while the remaining 67.4% is explained by the factors which are not discussed in this research.

Hypothesis Testing

Table 4. F-Test Result

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	90.900	2	45.450	8.477	.001 ^b
	Residual	187.653	35	5.362		
	Total	278.553	37			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Performance Allowance, Employee Development

Source: Data processed, 2016

Table 4 shows that F-count is 8.477 with level of significance 0.001. Since the value of F-count > F-table ($8.477 > 3.27$) and the level of significance is lower than 0.05 meaning that H_0 is rejected and H_a is accepted. Sig < 0.05 means that the confidence of this prediction is above 95% and the probability of this prediction error is below 5% which is 0.001. The result declares that there is a significant effect of performance allowance (X_1) and employee development (X_2) on employee performance (Y) simultaneously.

Table 5. t-Test Result

Model		t	Sig.
1	(Constant)	2.621	0.13
	Performance Allowance	3.050	.004
	Employee Development	0.391	.698

Dependent Variable: Online Customer Satisfaction

1. T-count of X_1 is 3.050 with the level of significance of 0.004. Since the value of t-count $>$ t-table (3.050 $>$ 0.13) and the level of significance is lower than 0.05 meaning that H_0 is rejected and H_a is accepted. Sig $<$ 0.05 means that the confidence of this prediction is above 95% and the probability of this prediction error is below 5% which is 0.004. The result of this test declares that there is a partially significant effect of performance allowance (X_1) on employee performance (Y).
2. T-count of X_2 is 0.391 with the level of significance of 0.698. Since the value of t-count $<$ t-table (0.391 $<$ 2.03) and the level of significance is more than 0.05 meaning that H_0 is accepted and H_a is rejected. Sig $>$ 0.05 means that the confidence of this prediction is below 95% and the probability of this prediction error is above 5% which is 0.698. The result of this test declares that there is no significant effect of employee development (X_2) on employee performance (Y) partially.

Discussions

Performance Allowance on Employee Performance

The result of the multiple regression analysis shows that there is a significant effect of performance allowance on employee performance in KPKNL Manado. In this research, it is represented by achieving the target, attendance and innovation. This finding has similar result with Paluhulawa (2013) which revealed that performance allowance has significant effect on employee performance. Based on the result of the questionnaire, the respondents who are all of the employee in KPKNL Manado agree that achieving the target, attendance and innovation affect the quality of employee performance. This result happens because the employees work according to the rules that have been made by the company so that employees strive to meet a target to achieve company goals and obtain the performance allowance in accordance with the quality of their work. This makes employees more disciplined in work so that what they are targeting can be achieved. Paluhulawa (2013) found that the relationship between performance allowance and employee performance. Staff worked to get the benefits of high performance, while the company's success depends on the performance of employees. Therefore performance allowance greatly affects the performance of employees and also the company's progress.

These results suggest to the Ministry of Finance to provide even greater performance allowance. But also be supported by the good performance of employees so that the company's goals can be achieved. Thus increasing employee performance and achieve the company's goals.

Employee Development on Employee Performance

The result of the multiple regression analysis shows that there is no significant effect of employee development on employee performance in KPKNL Manado. In this case, it is represented by internship, training and development, and scholarship. This finding has a different result with Hameed and Waheed (2011) who found that significant positive relationship exists between employee training and development and the employee performance. One possible reason for this result is because the employee development that held by company not attractive for employees, thereby reducing the interest of employees to attend the training and the training that is given does not make the performance of employees is increasing. This significant effect of employee development, indicates that if a company wants to improve the quality of employee performance, it is better to pay more attention to other factors in this research as performance allowance, which already been proven to have a significant effect on employee performance.

CONCLUSION AND RECOMMENDATION

Conclusion

The conclusions drawn from this research are as follow:

1. There is a significant effect of performance allowance and employee development on employee performance simultaneously. The increasing of two variables simultaneously will increase the employee performance.
2. There is a significant effect of performance allowance on employee performance, partially. The greater the performance allowance paid to employees, also increasingly affect the quality of employee performance.

3. Based on T-Test, there is no significant effect of employee development on employee performance, partially. Employees are not affected by the internship or scholarship on their performance in company.

Recommendation

There are three practical recommendations that can be concluded from the overall result in this research, which are listed as follow:

1. The performance allowance greatly affect the quality of employee performance, it is important to KPKNL Manado so I recommend that performance allowance should be raised to support the employee and employee performance will increase.
2. Employee development does not significant effect to employee performance so I recommend the employee development should be increased or KPKNL Manado should make development programs more attractive and useful related to employee performance so that the employee's performance is getting increase.

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