

IMPROVING EMPLOYEE PERFORMANCE THROUGH PROVIDING ADDITIONAL EMPLOYEE INCOME AND WORK ENVIRONMENT

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ABSTRACT

Providing additional incentives outside of salary usually makes employees enthusiastic at work. A comfortable work environment is also the dream of every worker or employee in every organization. This study aims to determine the impact of additional employee income and a comfortable work environment on the performance of an employee at the Employment, Education and Training Agency in Banyuwangi Regency. This research is a quantitative study with all Civil Servants in the Personnel, Education and Training Agency as a sample of 36 civil servants. The analysis technique is by conducting multiple linear regression tests and hypothesis testing, using SPSS Statistic V. 29.0.0.0 Software. The results of the research based on the results of the calculations show that the provision of additional income in the form of incentives has an impact on employee performance. Meanwhile, a comfortable work environment has no effect on the performance of the Banyuwangi Regency Personnel, Education and Training Agency employees.

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1. INTRODUCTION

Humans are the most important element in an organization or institution. Without the role of humans, even though the various factors needed are available, the organization will not work, because humans are the movers and determinants of the course of an organization [1]. To get good work results and in accordance with organizational goals, every organizational leader can be sure to have rules and conditions set forth in the form of policies. This policy was made with the intention that each organizational component carries out its duties in accordance with the stated goals and of course will improve employee performance [2].

Performance is a person's true behavior at work. If employees perform well, organizational performance will increase [3]. Providing additional incentives outside of salary usually makes employees enthusiastic at work. A comfortable work environment is also the dream of every worker or employee in every organization. This study aims to determine the impact of additional employee income and a comfortable work environment on the performance of an employee at the Employment, Education and Training Agency in Banyuwangi Regency. This research is a quantitative study with all Civil Servants in the Personnel, Education and Training Agency as a sample of 36 civil servants. The analysis technique is by conducting multiple linear regression tests and hypothesis testing, using SPSS Statistic V. 29.0.0.0 Software. The results of the research based on the results of the calculations show that the provision of additional income in the form of incentives has an impact on employee performance. Meanwhile, a comfortable work environment has no effect on the performance of the Banyuwangi Regency Personnel, Education and Training Agency employees.. Employee performance affects the production of a company, therefore providing appropriate remuneration can increase or encourage performance. Employee motivation, work atmosphere and additional income are all forms of remuneration [4]. Basically performance is the duty of

every worker in an organization. The best work is done when following procedures according to the rules, so that it has different criteria to increase productivity so that what is expected can be carried out as desired [2].

For the sake of the advancement of public services, government agencies are currently required to foster good apparatus performance. The government must be able to build and improve the performance of its employees. This is because the government is a servant for people who need services from the government. Therefore it is necessary to increase the performance of every government organization. A company will definitely face times when its organizational performance decreases [5]. To increase efficiency and so that employees can work well and optimally, one of them is by providing additional employee income (TPP). Additional Employee Income (TPP) is one of the external factors that influence efforts to improve employee performance (Sutrisno, 2015). One of the performance policies of the Banyuwangi Regency Government is to provide compensation and a good work environment to motivate employees. Performance-based additional employee income (TPP) is one of the Banyuwangi Regency salary programs.

The right job placement also has a big effect on how well employees do their jobs, so that the organization can make the most of its people [6]. How well a person is placed in a particular field of work or position will have a major impact on how well an organization achieves its goals. Employee performance is influenced by things in the workplace. Organizational climate or work environment is the setting in which an employee carries out his work duties and responsibilities [7].

There are many studies that have discussed employee performance in relation to employee income benefits (TPP) or incentives. Research conducted which states that compensation can improve employee performance [8], [4]. Other research that also discusses the issue of compensation related to the provision of additional salary with performance [9], [10], [11] which states that compensation can improve employee performance. Research conducted also states that compensation can improve employee performance in an organization [12], [13], [14]. Based on previous theory and research, the hypothesis in this study is H1: Additional employee income affects employee performance.

In addition to compensation, a factor that can improve performance in an organization is the work environment. According to Sedarmayanti, 2017, what is meant by the work environment consists of two, namely the physical work environment and the non-physical work environment that is attached to employees. The definition of the physical work environment is all the conditions that exist around the workplace, which affect employees either directly or indirectly in carrying out activities within an organization. The definition of a non-physical work environment can be said to be all conditions that occur and are related to work relationships, both relationships with superiors and relationships among co-workers, or relationships with subordinates [3]. A comfortable work environment will make employees comfortable in the existing work environment. A comfortable work situation will make employees feel at home at work so that the work that is their duty will be completed in a timely manner and with satisfactory results.

Research that links work environment and performance, among others, is carried out by: Nurul Qomariah, Nursaid, Mardana, & Winahyu, 2021, Priyono, Qomariah, & Winahyu, 2018, Khayin, Herlambang, & Qomariah, 2022, N. Qomariah, Friyanti, Budisatoto, Masram, & Mu'ah, 2020, Nursaid, Qomariah, Abadi, Satoto, & Utomo, 2020, Utomo, Qomariah, & Nursaid, 2019, Setiawan, Qomariah, & Jember, 2022, Wahyudi, Qomariah, & Sanosra, 2022, AnisaTriastuti, 2018, Pioh & Tawas, 2016 which states that the work environment can improve employee performance. Some research that also discusses work environment issues has also been carried out by several researchers, namely carried out by: Kurniawati & Tobing, 2019, Anggitaningsih & Handriyono, 2019, Adha et al., 2019, Hasibuan & Afrizal, 2019, Raffie et al., 2018, Parashakti et al., 2020, AnisaTriastuti, 2018, Priyono et al., 2018, Ardianti et al., 2018, Hafifi et al., 2018, Nuriyah et al., 2022, Parhusip et al., 2020, the results of which all state that a comfortable work environment can improve employee performance in an organization. On the basis of the theory of the work environment and employee performance, the hypothesis that can be developed is: H2 is the work environment has an effect on employee performance.

1.1. Additional Employee Income (TPP)

Remuneration is part of the compensation or reward for work results given to employees by agencies or organizations. Meanwhile, additional employee income (TPP) is part of the remuneration. TPP in the Appendix of Permenpan. RB No.63 of 2011 is the allowance given to Civil Servants which is a function of the successful implementation of bureaucratic reform and is based on the performance achievements of these civil servants which are in line with the performance achievements of the organization where the civil servant works. In Permenpan RB No. 63 of 2011 it is stated that the amount of performance allowance to be received is not absolutely the same as the amount set according to grade because it is influenced by several factors, for example the number of attendances. In addition, in the future, the amount of performance allowance may increase or decrease depending on the results of the Independent Evaluation Team's assessment.

1.2. Work Environment

According to, that the work environment are factors outside of humans both physical and non-physical in an organization [3]. Where in the environment or physical factors in the work environment include work equipment, temperature in the workplace, congestion and density, noise, area of work space while non-physical includes work relationships. In addition, defines that the work environment is part of the existence of a form of arrangement or series of factors that influence performance, which can be seen from the function, management activities in the organization [15].

1.3. Employee Performance

Employee performance is a result achieved by the employee in his work according to certain criteria that apply to a particular job. According to, that employee performance is a function of the interaction between ability and motivation [16].

1.4. Research Framework

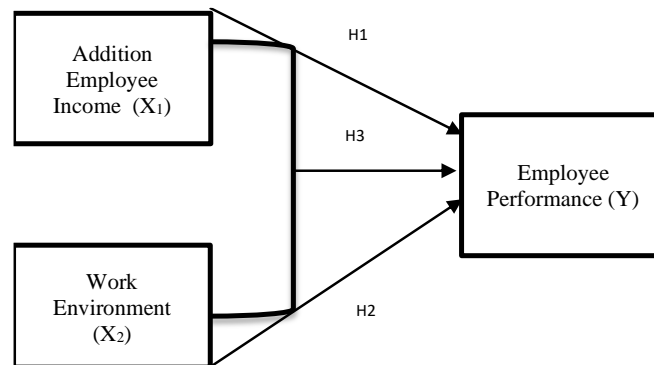


Figure 1. Research Framework

2. RESEARCH METHOD

2.1. Variable Identification

The variables in this study are divided into 2 variables, namely the independent variable which consists of Additional Employee Income (TPP) as (X1) and Work Environment as (X2) and the dependent variable, namely Employee Performance (Y).

2.2. Variable Operational Definitions

Operational definition, namely the description of indicators for each variable. Where in this study, the indicators for each variable are as follows:

a. Additional Employee Income (TPP) (X1)

TPP ASN is a function of the successful implementation of governance in the regions and it is hoped that the funds will come from efficiency/optimization of the regional government budget ceilings and/or increased regional revenue generated. According to the Decree of the Minister of Home Affairs Number 61 of 2019, TPP ASN is awarded based on:

- 1). Workload
- 2). Place of duty
- 3). working conditions
- 4). Work performance
- 5). Scarcity of profession and/or
- 6). Other objective considerations

b. Work Environment (X2)

The work environment is something that exists in the environment of workers who can influence themselves. Working environment indicators [15], namely:

- 1). Work atmosphere
- 2). Relations with colleagues
- 3). Facilities available for employees

c. Employee Performance (Y)

Employee performance refers to the employee's ability to carry out the overall tasks for which he is responsible. The performance includes aspects of business, loyalty, potential, leadership, and work morale [17]. To measure performance individually, there are indicators:

- 1). Knowledge, abilities, and skills on the job/competent.

- 2). Work attitude, expressed as enthusiasm, commitment, and motivation
- 3). Quality of work, interaction e.g., communication skills and abilities
- 4). To relate to other people in a team.

2.3. Population, Sample and Data Analysis

The population and sample of this study are all ASNs in the Banyuwangi Regency Personnel, Education and Training Agency, namely a total of 36 employees. All the existing population is used as a sample; thus, the sampling method is a saturated sample.

2.4. Data Analysis Method

Descriptive statistical analysis method is used to describe the condition of the respondents. Multiple linear regression analysis is used to determine the effect of the independent variables on the dependent variable. The research method used is by carrying out multiple linear regression tests, testing the coefficient of determination and testing the hypothesis with a partial t test.

3. RESULTS AND ANALYSIS

3.1. Results

3.1.1. Multiple Linear Regression Test Results

To find out how much influence the independent variables have, namely Additional Employee Income (X1), Work Environment (X2), on the dependent variable (Y), namely Employee Performance, Multiple Linear Regression Analysis is used and the regression results can be seen in table 1, with the formula: $Y = a + bX_1 + bX_2 + e$, and the result of the equation is $Y = 8.655 + 0.428X_1 + 0.369X_2 + e$.

Table 1. Results of Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	T	
1	(constant)	8.655	13.371		.647	.522
	X1	.428	.185	.365	2.310	.027
	X2	.369	.231	.252	1.595	.120

Source: Data Processed 2023.

From the above equation shows that:

- a. A constant of 8.655 indicates that if the two independent variables do not increase or are zero, then the employee's performance will still be worth 8.655.
- b. The regression value of $0.428X_1$ (positive) indicates that if there is an increase resulting from TPP (X1) of 1 unit, then employee performance (Y) will also increase by 0.428 units. And the value of the coefficient is positive between TPP and employee performance, the higher the TPP, the higher the employee performance.
- c. The regression value of $0.369X_2$ (positive) indicates that if there is an increase caused by the work environment (X2) increases by 1 unit, the employee's performance (Y) will also increase by 0.369 units. And the value of the coefficient is positive between the work environment and employee performance, the higher the level of the work environment, the higher the employee performance.

3.1.2. Determination Coefficient Test

The results of the test for the coefficient of determination can be seen in table 3, where the R square is 0.181. These results show a contribution (impact) of 18.1% resulting from the two independent variables on employee performance while 81.9% is the cause of other factors.

3.1.3. Hypothesis Testing

If the sig. < 0.05 , it means that the independent variable (X) partially affects the dependent variable (Y). This can be seen in table 1, where TPP (X1) with a sig. 0.027 and (X2) 0.120. According to (Ferdinand, 2016), if the $t_{count} > t_{table}$, it means that the independent variable (X) partially affects the dependent variable (Y). The results of the analysis show that: TPP variable (X1) with a p-value (sig) $0.027 < 0.05$, with $t_{count} > t_{table}$ $2.310 > 2.035$, the TPP variable (H1) has a positive and significant effect on employee performance. Work environment variable (X2) with p-value (sig) $0.120 > 0.05$ with $t_{count} < t_{table}$ $1.595 < 2.035$, then work environment variable (H2) has a positive and insignificant effect on employee performance.

3.2. Analysis

3.2.1. The Effect of Additional Employee Income on Employee Performance

Based on the calculations on the t test, it shows that the coefficient value of the additional employee income variable (TPP) (X1) shows a value of 0.365 with a significance value of 0.027. With results like these, the first hypothesis (H1) which states that additional employee income (TPP) affects employee performance is accepted (H1 is accepted), and H0 is rejected. Thus, it can be concluded that the provision of additional employee income (TPP) affects employee performance at the Personnel, Education and Training Agency of Banyuwangi Regency. Therefore, the policy regarding providing additional employee income (TPP) needs to be maintained because it can improve employee performance. This research is in line with previous research which states that compensation affects employee performance [13], [18], [14].

3.2.2. The Influence of the Work Environment on Employee Performance

Based on calculations on the t test shows that the coefficient value of the work environment variable (X2) shows a value of 0.282 with a significance value of 0.120. With results like these, the second hypothesis (H2) which states that the work environment affects employee performance is accepted (H2 is rejected), and H0 is accepted. Thus, it can be concluded that the provision of a work environment has no effect on employee performance at the Employment, Education and Training Agency of Banyuwangi Regency. Therefore, it is necessary to have a policy regarding a comfortable work environment which is later expected to improve employee performance. This research is not in line with previous research which stated that the work environment affects employee performance [19], [20], [21], [22], [23], [24].

4. CONCLUSION

Based on the results of the research and discussion based on the analytical test used in this study with the SPSS Statistic V. 29.0.0.0 Software tool, the following conclusions can be drawn:

- a. The independent variable providing additional employee income (TPP) (X1) affects employee performance. Thus, the Banyuwangi Regency Personnel, Education and Training Agency must maintain this TPP policy so that employee performance continues to increase.
- b. The independent variable work environment (X2) has no effect on employee performance. Thus, the Board of Personnel, Education and Training of Banyuwangi Regency must carry out policies regarding the work environment that can improve employee performance.

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