Analysis of the Effect of Remuneration on Performance of Civil Servants at Lampung Agriculture Training Center

Firmansyah Yunialfi Alfian[1], Ario Pratama[2]
Institute Informatics and Business Darmajaya
firmansyahyunialfi@yahoo.com

ABSTRACT

This Research was done at Lampung Agricultural Training Center as one of UPT under Agriculture Ministry and done the birocration reformation program that was remuneration given to employees. It was hoped that employees performance would increase. The aim of this study was to know and analyze the effect of Remuneration on Civil Servants Performance at Lampung Agricultural Training Center. The sample taking technique used was saturated sampling technique and used all population as the sample as 67 respondents. The data collecting method used was questionnaire. The independent variable was Remuneration and the dependent variable was Employee Performance. The data analysis included validity test, reliability test, classical assumption test and hypothesis test. The analysis result shows that Remuneration positively affected the Employee Performance.

Keywords : Remuneration, and Employees Performance.

1. Introduction

Indonesia finally performs the good bureaucracy and transformation at central and regional level. This is carried out as an effort to improve the public sector in Indonesia. One of civil servants is the Indonesia civilians who meet certain requirements appointed permanently by officer of staffing officers as a civil servant to take the government position (Act No. 5 in 2014 Article 1 Paragraph 3). Civil servants have the important role in the bureaucracy as the main executives of government tasks. As a State servant and civil servant, they should be able to provide good service to the community. Employee achievement in the organization is determined by the employee performance and effectiveness on the organizational task. The employee performance was achieved to provide good services for the community and was influenced by the factors affecting the employee performance.

Badullah (2014: 3) argued that *performance* is the employee achievement as a result of the work implementation plan created by an institution and performed by leaders and employees (Human Resource) in governmental institutions and companies to achieve organizational goals. Moreover, Bangun (2012: 231) explains that *performance* is the work result achieved by a person based on the job requirements. To find out whether a performance as optimal or not, it can be seen from the certain indicators and used to measure the performance. Moehriono (2012, p108) writes *performance* indicator is the value or certain characteristics used to measure the activity output or outcome. The following data were obtained from the employee affair in the Agricultural Training Center in Lampung related to the employee performance evaluation:

Table 1. Civil Servant Performance Evaluation Data from Agriculture Training Center in the period of 2014 and 2015

No.	Performance Evaluation Score		Increase (Decrease) %
	2014	2015	
1	85	87	2.35
2	86	88	2.33
3	82	84	2.44
4	84	86	2.38
5	84	84	-
6	80	82	2.50
7	81	82	1.23
8	80	81	1.25
9	80	83	3.75

10	83	84	1.20
11	82	86	4.88
12	84	86	2.38
13	85	87	2.35
14	85	85	-
15	80	82	2.50
16	81	85	4.94
17	81	83	2.47
18	79	79	-
19	80	83	3.75
20	78	76	(2.56)
21	80	81	1.25
22	80	80	-
23	79	78	(1.27)
24	79	80	1.27
25	79	79	-
26	78	80	2.56
27	80	85	6.25
28	79	82	3.80
29	80	81	1.25
30	80	80	-
31	80	80	-
32	82	84	2.44
33	80	79	(1.25)
34	77	79	2.60
35	79	82	3.80
36	79	77	(2.53)
37	78	79	1.28
38	77	80	3.90
39	76	80	5.26
40	79	80	1.27
41	79	80	1.27
42	80	82	2.50
43	77	83	7.79
44	80	81	1.25
45	79	81	2.53
46	78	83	6.41
47	-	82	-
48	77	79	2.60
49	79	79	-
50	76	78	2.63
51	79	80	1.27
52	78	79	1.28
53	78	78	-
54	82	82	-
55	85	83	(2.35)
56	83	85	2.41
57	80	80	-
58	80	80	-
59	79	80	1.27
60	85	84	(1.18)
61	83	80	(3.61)
62	83	85	2.41

63	80	80	-
64	80	84	5.00
65	80	83	3.75
66	78	78	-
67	78	80	2.56
Increase/Decrease Average			1.79

Source: Employee Affair in Planning and Development in 2015

From the table above, the civil servant performance evaluation score in Agriculture Training Center Lampung in the period of 2014 and 2015 showed an increasing average by 1.79%. The following was the interval of a performance evaluation in the Agriculture Training Center:

Table 2. Evaluation Score Category

Score	Category
< 50	Very Bad
51-60	Bad
61-75	Sufficient
76-90	Good
>90	Very Good

Source: Employee Affair in Planning and Development Agency in 2015

According to the data, there is an increase compared with the previous year. However, this increase still includes a good category with 76-90 score. This performance evaluation is the minimum level in performance evaluation implemented by Agriculture Training Center because the employees who have been evaluated get sanction e.g., promotion postponement and other administrative sanctions if the performance evaluation decreases from the previous category. This information becomes the problem that because there is no employee with the Excellent category. One of the attentions to solve this problem is giving compensation in the form of remuneration used to trigger the employee performance. Ying and Jun in Nurlia and Endang (2013, p3) write that remuneration is literally defined as the payment or remuneration, in the form of money or the substitution stipulated by certain rules as reciprocity of routine employment excluding overtime and honorarium.

Indicators of remuneration for employees were based on the position and performance. Remuneration also stimulates employees to do a work beyond what is needed by the organization and becomes a reward for employees who have done the work set by the leaders. Remuneration is an integral part of the Bureaucracy Reform Policy organized by the government to realize good, clean governance and free of collusion, bribery, and nepotism and to improve the public servant quality to the community. In this case, the civil servants are expected to have a professional, competent, and accountable attitude supporting the clean and good governance. Related to this payroll system, Ministry of Agriculture has not supported the significant achievement for the performance, productivity, and improvement of the civil servant welfare. Regarding the remuneration, it is stated from the Presidential Regulation of the Republic of Indonesia Number 103 in 2012 on Employee Performance Allowance in the Ministry of Agriculture milieu. The article 2 states that the employees who have certain duties/jobs/positions within the Ministry of Agriculture have income in accordance with the provisions of legislation and the performance allowance monthly. The following is the performance allowance in the Ministry of Agriculture milieu by the Regulation of Ministry of Agriculture Number 68 in 2012:

Table 3. Insentif

No	POSITION	PERFORMANCE ALLOWANCE PER POSITION
1	17	Rp 19.360.000
2	16	Rp 14.131.000
3	15	Rp 10.315.000
4	14	Rp 7.529.000
5	13	Rp 6.023.000
6	12	Rp 4.819.000
7	11	Rp 3.855.000
8	10	Rp 3.352.000
9	9	Rp 2.915.000
10	8	Rp 2.535.000
11	7	Rp 2.304.000
12	6	Rp 2.095.000
13	5	Rp 1.904.000
14	4	Rp 1.814.000
15	3	Rp 1.727.000
16	2	Rp 1.645.000
17	1	Rp 1.563.000

Source: the Regulation of Ministry of Agriculture Appendix, Number 68, 2012

From table 1.3 above, it is seen that the class position is higher on condition that the employee performance is also the higher. Agricultural Training Center is considered as one of the Technical Implementation Units under the Ministry of Agriculture as one of the responsible institutions that implements bureaucratic reform. Moreover, the remuneration is expected to reinforce reward and punishment mechanism. Besides, the remuneration given for civil servants is the solution for the problem. However, if there are still non-disciplined and professional civil servants who have taken the remuneration, they will get sanction in accordance with the applicable law. Therefore, it can be concluded that the remuneration is the important factor for the employee performance.

Literature Review

Human Resource Management
According to Hasibuan (2014: 10), Human resource management is the science and art to manage the relationships and the roles of work force in order to realize of corporate goals, employees, and society effectively and efficiently. Function of human resources management consists of planning, organizing, directing, controlling, procurement, compensation development, integration, maintainance, discipline, and dismissal. This goal is that companies get greater profitability, employees get satisfaction from the work, publics acquire good goods or services at a reasonable and available price in the market. The HR management is often equated with the personnel management, human resource management, personnel management, work force management, labor management, personnel administration, employee administration, and the other terms. Flippo (in Hasibuan, 2014) states that, "Personnel management is the planning, organizing directing, and controlling of the procurement, development, competition, integration, maintenance, and separation of human resources to the and that individual, organizational, and societal objectives are accomplished. Furthermore, John and Mary (in

Hasibuan, 2014) explain that the personnel management is defined as a process of developing, implementing, assessing policies, procedures, methods, and programs relating to individual employees within the organization.

Remuneration

Remuneration is the word derived from English word "remunerate." According to the Oxford American Dictionaries, *remuneration* is to pay (someone) for rendered services or done work. Moreover, The Dictionary of the Indonesian Language, *remuneration* is interpreted as a reward (appreciation for services, etc). Ying and Jun (in Nurlia and Endang, 2013: 3) write that remuneration is literally defined as a payment/money/a substitution set by a certain regulation as the reciprocity of a routine work which exclude overtime work and honor. Furthermore, according to Ministry of State Apparatus Empowerment, *remuneration* is a reward for employees due to their contribution on the organization. This is carried out to improve the human resource quality to produce qualified, productive human resource which is not moved to the other companies, implementing a service-oriented behavior, and preventing corruption. Therefore, the remuneration has a wider definition instead of salary or wage. Moreover, the remuneration is all expenses (basic benefits, fixed allowances, variable allowances, incentives, bonus, facilities, and financial service) incurred by entrepreneurs for workers among others (Menpan, 2010). In the Bureaucratic Reform, *Remuneration*, is the payroll system rearrangement linked to the performance evaluation system. According to Pormadi (2008), *remuneration* is the remuneration performance reward in the form of payroll, honorarium, fixed allowance, incentives, bonuses, achievements, or pensions.

Employee Performance

Wirawan (2009: 5) writes that *performance* is the output produced by work functions or indicators in certain time. Furthermore, Moeheriono (2011: 95) suggests that *performance* is the description of a level of the work achievement from a certain program or activity to achieve the goals, objectives, vision, and mission of the organization through a strategic plan. Abdullah (2013: 331) states that *performance* is derived from English word

performance which means a work result or work achievement. In the simplest sense, *performance* is the work result of the organization performed properly by the employee possible in accordance with the instructions or direction given by the manager and done by employees who have suitable competence and skills. Hasibuan (2014: 94) explains that *performance* is the basis for the work evaluation guideline for employees. A good performance is the step to achieve the organizational goals. However, it is no easy to implement because of many factors affecting the fluctuation of employee performance. The performance is the work accomplishment of employees in doing the tasks assigned to them based on their skills competence, experience, sincerity, and time. According to the definition above, it can be concluded that the employee performance is the ability to attain a work achievement so that the work target can be completed at the exact time which affects to the employee can achieve the moral and ethics of the company. Therefore, the employee performance can contribute to the company and the employee performance also directly affects the institution image.

Rationale

In this research, the researcher presented the rationale to obtain the problem statement. Rationale was the description of this research reflecting the intercorrelation between the observed variables and became the tool to solve the problem so that the hypothesis was able to be formulated. Moreover, rationale was also the space for the researchers to provide an explanation of the problems relating to the variables of this research.
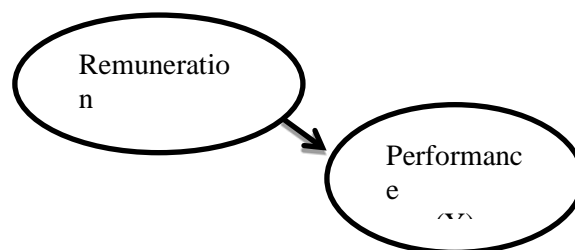

Figure 2.1 Rationale
X –Y = independent variable
(Remuneration on Employee Performance)
Y = dependen variable (Performance).

2. Research Method

Type of the Research

Sugiyono (2011: 2) said that *research method* was the scientific way to get the data with specific goals and uses. Type of this research was the process of collecting and analyzing of the data conducted systematically and logically to achieve certain goals. In this research, the type of research was quantitative research from which the data were expressed in numerical forms. According to Sugiyono (2011: 11), a quantitative method was the scientific method because it was fulfilled by concrete/empirical, objective, measurable, rational, and systematic principles.

Population

Sugiyono (2011: 80) said that the generalization consisted of objects/subjects that had a certain quantity and characteristics set by the researchers used for their research. The population of this research was all Lampung Agriculture Training Center employees (67 employees).

Table 4. A Number of Population in Agriculture Training Center

NO.	EDUCATION	TOTAL
1	ELEMENTARY SCHOOL	1
2	MIDDLE SCHOOL	2
3	HIGH SCHOOL	14
4	DIPLOMA	5
5	BACHELOR	34
6	MASTER	11
TOTAL		67

Source: Primary Data in 2014

Sample

Sugiyono (2011: 81) explained that the sample was a part of the number and characteristics of the population. If the population was very large and the researchers were not able to study, the researchers used samples taken from the population. In this research, the researchers used a saturated sampling technique used to determine the sample through all members as a sample populations.

Data Analysis Technique

Data analysis technique used in this research was interpreted as follows:

Descriptive Quantitatif Analysis

Quantitative descriptive analysis was the data analysis based on the numbers, percentage, frequency. Moreover, the descriptive statistics was used to analyse the data.

Simple Linear Regression Analysis

There were two variables in this research. These variables were the independent and dependent variable. The multiple linear regression using these variables was as follows:

$Y = a + Bx$

Y : Dependent Variable (Employee Performance)
X : Independent Variable (Remuneration)
a : Constant figure
b : Regression Coefficient

Koefisien regresi a dan b dapatdihitung dengan rumus sebagaiberikut :

Regression coefficient of a and b was calculated by the formula as follow:

$$b = \frac{n(\Sigma xy) - (\Sigma x)(\Sigma y)}{n(\Sigma x^2) - (\Sigma x)^2}$$

$$a = \frac{(\Sigma y) - b(\Sigma x)}{n}$$

3. Discussion

Research Findings

There were two variables in this research. These variables were the independent and dependent variable. The formula of multiple linear regression using these variables was as follows:

$Y = a + bX$

Y : Dependent Variable (Employee Performance)
X : Independent Variable (Remuneration)
a : Constant figure
b : Regression Coefficient

Table 5. CoefficientsData

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig
	B	Std.Eror	Beta		
1 (Constant) Remuneration	30.268.428	8.963.148	337	3.377 2.883	.001 .005

a. Performance (Dependent Variable)
Source: The analyzed data in 2015

The result of table 4.1 above was found by using the simple linear regression using SPSS 22 program. The result of the regression equation was as follows:

The equation was as follow:

$$Y = 30,268 + 0,428\ (X)$$

a. Constant Coefficient (Y) or (Y) variable or performance was 30.268 with the assumption that other variables are constant.
b. Remuneration Coefficient (X) = 1 remuneration variable unit was singly added (X), then the employee performance (Y) increased by 0.428.
c. Based onthe result of the beta value, the effect of *remuneration* (X) on employee performance (Y) was 0.337.

Table 6. Result of Model Summary Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.337ᵃ	.113	.100	5.09472

a. Predictors: (Constant), Remuneration
b. Dependent Variable (Performance)
Source: The analysed data in 2015

From table 4.2 above, the determinant coefficient R Square value was 0.113 (11.3%) so that the performance was affected by the remuneration: while, the effect of correlation on the performance was 0.337 (33,7%).

4.2 Result of t test (Effect of Remuneration (X) on Employee Performance (Y))

The significance level (α) used in this research was 5% (0.05). Ho = Remuneration (X) had no significant effect on the employee performance (Y). Ha = Remuneration (X) had a significant effect on the employee performance. Test criteria were conducted by:

a. If tcount value > ttable, then Ho was rejected
b. If tcount value < ttable, then Ho was accepted
c. If the sig value < 0.05, Ho was rejected
d. If the sig value > 0.05, then Ho was accepted

Table 7. Result Of Remuneration Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig
	B	Std.Eror	Beta		
1 (Contant) Remuneration	30.268.428	8.963 .148	.337	3.377 2.883	.001 .005

Based on the table 4.3, t-count value was 2.883; while, the ttable value with dk(dk = 67-2 = 65) was 1.677. Therefore, tcount (2.883) > ttable (1.677), then Ho was rejected and Ha was accepted so it was concluded that the remuneration (X) had a significant effect on the employee performance (Y).

Remuneration was the factor affecting the employee performance. The right and proper remuneration policy brought the employee performance in achieving organizational goals. Remuneration also provided additional income to each employee so that employees are more concentrated in work. The result of this research showed that the remuneration had a positive effect because the remuneration increased and the performance also increases. Based on this description, the effect of the remuneration on the employee performance in Agriculture Training Center was seen from the result of the test above. The components of remuneration that must be considered were that the workload, grading system and position

analysis became the indicators to improve the employee performance. Therefore, the remuneration was the important variable in human resources because it was used to improve the employee performance.

4. Conclusion

Based on the result of data analysis and hypothesis test, the conclusion of this research was the remuneration had an effect on the civil servants performance in Agriculture Training Center, Lampung.

The researchers suggest that the remuneration should be implemented with the aim of improving employee performance so that the remuneration brings the positive effect for the organization. The suggestion of this research was as follows:

1. The remuneration provision is expected to reduce bribery in the Agriculture Training Center, Lampung.
2. Civil servants in Agriculture Training Center, at Lampung are expected to attain the organizational goals.
3. The provision of remuneration should be appropriately implemented in Agricultural Training Centre, Lampung through reward and punishment policy.

Bibliographies

[1] Abdullah, M. Ma'aruf.. "Manajemen dan Evaluasi Kinerja Karyawan". Yogyakarta. 2014.

[2] Aswaja Pressindo.Bangun, Wilson. *"Manajemen Sumber Daya Manusia"*. Jakarta: Erlangga. 2012.
[3] Dessler, Garry. *"Manajemen Manajemen Sumber DayaManusia"*. Jakarta: PTINDEKS. 2010

[4] Hasibuan, Malayu."*Manajemen Sumber DayaManusia"*. Jakarta: PT. BumiAksara. 2014.

[5] Listiani, Nurlia, Endang S.Susilowati. "*Komparasi Sistem Remunerasi Pada Instansi Pemerintah dan BUMD"*. Jakarta: LIPI Press. 2014.

[6] Mahsun, Muhammad. "*Pengukuran Kinerja SektorPublik"*. Yogyakarta: BFE. 2006.

[7] Moeheriono. "*Pengukuran Kinerja Berbasis Kompetensi"*. Jakarta, Raja Grafindo Persada. 2012.

[8] Pormadi. "*Upaya Meningkatkan Kinerja PNS"*. https://pormadi.wordpress.com/2008/06/16/upayameningkatkankinerja-pns/,accessed at 28 Januari 2016.

[9] Sugiyono. "Metode Penelitian Kuantitatif Kualitatif dan R&D". Bandung: CV. Alfabeta. 2009.

[10] Wirawan. "*Evaluasi Kinerja Sumber Daya Manusia"*. Jakarta: Salemba Empat. 2009.

[11] _____, Undang-Undang tentang Aparatur Sipil Negara,Undang-Undang Nomor 5 Tahun 2014

[12] _____, Peraturan Presiden Republik Indonesia tentang Tunjangan Kinerja Pegawai di Lingkungan Kementerian Pertanian, Perpres Nomor103 Tahun 2012.

[13] _____, Peraturan Pemerintah tentang Penilaian Prestasi Kerja Pegawai Negeri Sipil,PP Nomor 46 Tahun 2011.

[14] _____, Peraturan Menteri Pertanian tentang Tunjangan Kinerja di Lingkungan Kementerian Pertanian, Permen