

Impact of Additional Income on Employee Performance With Employee Job Satisfaction Consideration, Study At Department of Health, Indonesia

Shierly Marlana¹, Harianto Respati², Achmad Firdiansjah²

¹ Student of Postgraduate Program, University of Merdeka Malang, Indonesia

² Faculty of Economics and Business, University of Merdeka Malang, Indonesia

Corresponding Author: Harianto Respati

Abstract:

This study aims to examine perceptions of employee job satisfaction during the pandemic in Indonesia. The variables tested were the effect of additional income as an exogenous variable and performance as an endogenous variable, while job satisfaction as a mediating variable. The research was conducted in one of the health departments in Indonesia. The respondents of this research are employees who work in the health department. The number of research respondents was 73 as a sample of a population of 267 employees. Questionnaire as a tool to collect primary data. This research design is quantitative. The data analysis technique uses path analysis by comparing the effects of direct and indirect effects to test the customer satisfaction variable. Linear regression analysis was used to obtain standardized path coefficients. This study found that additional employee income has a strong impact on improving employee performance. Employees have not felt satisfied with their work to the maximum point, meaning that the role of job satisfaction as a result of providing additional income is still not effective enough to improve employee performance.

Keywords: Additional Employee Income, Job Satisfaction, Employee Performance

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I. Introduction

This study aims to examine the role of job satisfaction of health workers related to the additional income they get and its impact on the performance of employees who serve in agencies that serve public health. As of May 2021, the COVID-19 pandemic in Indonesia is still ongoing. The COVID-19 pandemic event can reduce employee performance if there is no additional adequate income. Of course, job satisfaction is a determining factor to pay attention to, especially government organizations operating in the health care sector. This research was conducted because of curiosity about the condition of employee satisfaction and employee perceptions about the provision of additional income as well as employee perceptions about their performance achievements.

Starting from the role of human resources as the key to the success of an organization, it has become a concern for both practitioners and academics. To achieve organizational success, of course, the welfare factor is a major concern. For employees to be prosperous, of course, organizations need to manage finances for their income. This study focuses more on providing additional income than the employee's fixed salary.

Government policies regarding additional employee income are directed at employee performance, this has been tested by previous researchers such as Madjid (2016), Yalitoba (2019), and Lubis (2017) which prove there is a strong influence between additional employee income and employee performance. The additional income of employees in government organizations is not only for welfare but focuses on employee performance and Yalitoba's (2019) research has proven this connection. In practice, additional employee income is programmed monthly.

Is it true that the additional employee income that is programmed monthly has an impact on employee performance in the COVID-19 era which has no end? Of course, this is an interesting study to be tested again. Given that health employees in this pandemic era have a high level of productivity, especially in terms of administrative services in the public health sector.

Is it true that additional employment income must be able to satisfy employees? For this reason, it is necessary to examine the impact of additional employee income on employee job satisfaction. Riki's research results (2020) prove that there is an additional effect of employee income on employee job satisfaction. Similarly, previous researchers such as Irawan (2010), Damayanti et al (2018), and Kertiasih et al (2018) have

tested the influence between employee job satisfaction and employee performance with the results that there is a significant effect.

Based on the function of the additional income allowance which is more directed at employee performance than welfare and the condition of the COVID-19 pandemic which lasted for quite a long time in which employees serving the public health administration sector and of course felt tired due to this condition. So, this study wants to test whether it is true that employee satisfaction can mediate related to additional income allowances to improve employee performance.

II. Literature Review

Performance is a positive consequence of the reaction to work outcomes (Robbin 2015; Rivai 2015). Some experts distinguish on the type of performance. In this study, the performance in question is the performance of individuals/employees. Performance is closer to the term external. Employee performance has an output that is the result of work after completing something. Robbin mentioned that individual performance is an optimal achievement by individual abilities. In short, individual performance is the result of the execution of work (Rivai, 2015). There are six measurements of performance, namely the quality of employee work, quantity, timeliness, work effectiveness, work independence, and work commitment (Robbin, 2015; Rivai, 2015).

Additional employee income can be called an income improvement allowance. In Indonesia, it is better known by the abbreviation "TPP". For permanent employees who work in government, organizations understand the meaning of "TPP". The additional income allowance is TPP, which is part of the incentive theory, namely the provision of services in the form of money in addition to a fixed salary. Incentives by Siagian (2010) explained that incentives are the provision of something other than a fixed salary that aims to encourage performance. For government organizations, incentives in the form of income improvement allowances are given to employees so that employees are more disciplined and positively committed with a view to performance goals. In line with Hasibuan's statement (2013) that incentives or additional income are complementary remunerations, both material and non-material to improve the mental attitude of work and the physical condition of workers with performance goals. Siagian (2012) explains the consideration of providing incentives or benefits for improving income based on performance achieved, length of service, years of service, employee needs, and eligibility.

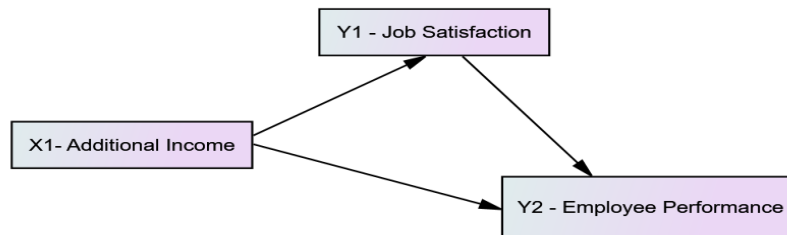
Employee job satisfaction focuses on the individual aspects of employees. Satisfaction is obtained from something that has been felt before. Individuals carry out the thought process of analyzing what is expected compared to what is obtained. Rivai (2010) emphasizes the meaning of job satisfaction, which is an evaluation of someone who can describe the condition of feeling happy or unhappy, satisfied or dissatisfied with what is felt. Satisfaction is closer to the individual's emotional condition of what is felt from the results of their work (Sutrisno, 2014). Priansa (2014) argues that job satisfaction is a worker's feeling for work, whether it produces a sense of pleasure or likes or dislikes or dislikes as a result of worker interactions with the work environment. Rivai (2010) divides job satisfaction into several parts such as job content, supervision, organization, opportunities for advancement, salary, colleagues, and working conditions.

Employee performance is the result of work in quality and quantity achieved by employees within a certain period in carrying out work tasks by the responsibilities given to employees (Robbins, 2015). Improving employee performance is not an easy job but involves factors that influence it, including additional income and job satisfaction.

The results of research by Madjid (2016), Lubis (2017), and Yalitoba (2019) prove that additional income has an effect on employee performance. The results of Damayanti et al. (2018) Kertiasi et al. (2018) found that job satisfaction has an effect on performance. The results of previous studies strengthen the conceptual framework presented in Figure 1. The proposed hypothesis:

- H1: Additional income has a significant positive effect on job satisfaction.
- H2: Additional income has a significant positive effect on employee performance.
- H3: Job satisfaction has a significant positive effect on employee performance.
- H4: Additional income affects employee performance through job satisfaction.

Figure 1. Research concept framework



III. Research Methods

The research design includes a quantitative research approach, testing research hypotheses and explaining causal relationships between research variables. There are four research hypotheses tested. This research was conducted in a government agency/department serving public health administration located on the eastern island of Java, Indonesia. The research population was 267 employees, with a tolerance level of 0.05 using the Slovin formula, then 73 employees were determined as the research sample. Processed data is primary data, obtained from questionnaire answers as a tool to collect data. The research analysis technique uses description and path analysis. Direct and indirect effects are used to test the research hypotheses. The linear regression technique is used to determine the standardized coefficient value.

The regression equation model is as follows:

$$Y1 = b1X1 + e1$$

$$Y2 = b2X1 + b3Y1 + e2$$

The additional income variable is measured by five indicators, job satisfaction is measured by seven indicators and employee performance is measured by six indicators.

The notation for variables and indicators is presented in Table 1.

Table 1. Research variables and indicators

Notation	Exogenous Variables	Notation	Mediation	Notation	Variabel Endogen
X1	Additional Income	Y1	Job Satisfaction	Y2	Employee Performance
X11	Performance	Y11	Job content	Y21	Quality
X12	Long working time	Y12	Supervision	Y22	Quantity
X13	Needs	Y13	Organization	Y23	Punctuality
X14	Justice	Y14	Opportunities for advancement	Y24	Effectiveness
		Y15	Salary	Y25	Independence
		Y16	Coworkers	Y26	Work commitment
		Y17	Working conditions		

IV. Research Result

The study was conducted for one month to collect data. Researchers distributed questionnaires not using google forms, but collected respondents in groups and accompanied respondents in filling out questionnaires. Answering questions if some items or instruments are not understood by the respondents. 73 questionnaires were collected and the answers to the questionnaire were examined. Respondents have answered the questionnaire completely. Then tabulation is done to analyze the validity and reliability tests first. The results of the statistical analysis are shown in Table 2.

Table 2. Results of the Questionnaire Test and descriptive analysis.

Variables and indicators	r-validity	Cronbach's Alpha	Mean	Result
X1- Additional Income				Valid and reliable
X11- Performance	0.841	0.900	3.98	
X12- Long working time	0.792		3.88	
X13- Needs	0.811		4.21	
X14- Justice	0.805		4.55	
Y1- Job Satisfaction				
Y11- Job content	0.567	0.749	4.02	
Y12- Supervision	0.505		4.21	
Y13- Organization	0.599		4.11	
Y14- Opportunities	0.450		3.89	

for advancement				
Y15- Coworkers	0.597		4.01	
Y16- Working conditions	0.438		4.12	
Y2- Employee Performance	0.378			
Y21- Quality	0.463	0.623	4.25	Valid and reliable
Y22- Quantity	0.514		4.03	
Y23- Punctuality	0.476		4.15	
Y24- Effectiveness	0.494		4.05	
Y25- Independence	0.518		3.99	
Y26- Work commitment	0.552		4.38	

The results of the validity test show that each product-moment correlation for each indicator and questionnaire item produces a probability value below the tolerance limit of 0.05 and it can be concluded that all research items and indicators are concluded to be valid. This means that 73 respondents understand the items on the research questionnaire. For the reliability test, it shows that each item tested produces Chronbach's alpha value for X1 is 0.900, Y1 is 0.749 and Y2 is 0.623. The three Cronbach's alpha values did not exceed the cut-off r-table (0.05; DF=73) of 0.230. This comparison shows that all questionnaire items are proven to be reliable. This means that respondents answered consistently when asked more than twice with the same instrument. The results of the descriptive analysis show that the additional income variable is formed by a sense of justice, the job satisfaction variable is formed by supervision and employee performance is formed by work commitment.

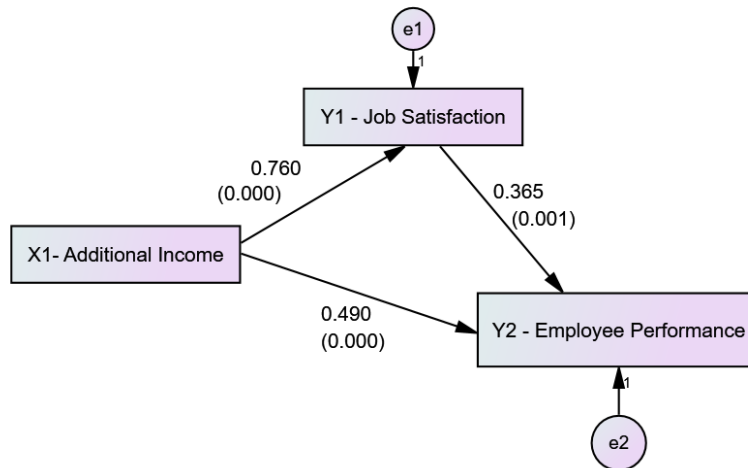
Furthermore, to test the research hypothesis using path analysis, namely performing simple regression analysis and multiple regression. A regression statistical test was carried out by evaluating the standardized beta coefficient (β standard). If the value is significant, then the path coefficient is significant. A significance test can be done by comparing the path significance. If the significance value of the path coefficient is less than 0.05 then the coefficient is considered to have a significant effect. On the other hand, if the significance value of the coefficient is greater than 0.05, then it is considered to have no significant effect. Evaluation of the effect of additional employee income on employee performance through satisfaction is presented in Table 3 below.

Table 3. Summary of path analysis

Path of variables	Direct effect	p.	Indirect effect	Total effect	Result
X1 to Y2	0.490	0.000	-	-	H1- Accepted
X1 to Y1	0.760	0.000	-	-	H2- Accepted
Y1 to Y2	0.365	0.001	-	-	H3- Accepted
X1 to Y1 and to Y2	0.490	0.000	0.760* X 0.365* = 0.277*	0.767*	H4- Accepted
*) level significant is lower than limit tolerance 0.05 X1 = 0.760Y1 + e1 Y2 = 0.490X1 + 0.365Y1 + e2					

Table 3. shows that each path has a significant probability level value less than the error tolerance limit of 0.05. This comparison explains that there is a significant effect between additional employee income and employee performance, a significant influence between additional employee income and job satisfaction, and there is a significant effect between job satisfaction and employee performance. The test results between research variables can be clarified by drawing a structural equation model. The view of the structural equation model is presented in Figure 2.

Figure 2. Structural Equation Model



V. Discussion

Employee performance is measured by quality, quantity, timeliness, effectiveness, independence, and work commitment. The main thing that can be formed by employee performance is work commitment, which is reflected in always upholding the rules in carrying out work. Employee performance is formed by the potential they have, by Robbin's (2015) view that individual performance is an optimal achievement by the potential of an employee. Performance is a potential that every employee has to carry out each job task and responsibility.

Job satisfaction is shaped by job content, supervision, organization, advancement opportunities, salary, and co-workers. The main thing that builds job satisfaction is a sense of satisfaction with the existing supervisory system so far. Employees who work hard and have a positive attitude generally show a high level of job satisfaction. Job satisfaction according to Rivai (2010), is an assessment that describes a person who is limited to his feelings, his attitude is happy or unhappy, satisfied or dissatisfied in his work.

Additional employee income is formed by performance, length of time worked, needs, and fairness and justice. The main thing that can form additional employee income, namely justice is reflected in employees feeling fair with the current system. As Siagian (2012) stated that additional employee income or incentives, according to him, need to be implemented fairly to create a conducive work environment.

Additional employee income has an effect on job satisfaction, which means that the higher additional employee income provided by the agency can increase employee satisfaction. Additional employee income can help create a sense of belonging to the organization, create the identity of members of the organization, create an emotional attachment between the organization and employees, help create organizational stability as a social system, and find patterns of behavioral guidelines as a result of habitual norms formed in everyday life. Additional Employee Income is additional income for government employees which is given in addition to salary based on certain criteria, which aims to create employee job satisfaction. Additional employee income is a form of allowance or compensation given to employees other than salary. The results of this study support Riki (2020) which states that additional employee income has an effect on job satisfaction.

Additional employee income affects employee performance, which means that the higher the additional employment income received by the employee, the higher the employee's performance. Additional employee income is intended to improve employee performance, improve the quality of service to the community and increase employee welfare. The better the additional employee income and following the criteria that have been set, the more it shows an increase in employee performance. As the opinion of Hasibuan (2013) states that incentives or additional employee income are complementary remunerations (material and non-material) provided based on wisdom, aiming to maintain and improve the physical and mental conditions of employees so that their work productivity increases. This shows that employees want additional income outside of salary. Therefore, additional employee income is a form of appreciation to employees to encourage employee performance improvement. The results of this study support Madjid (2016), Lubis (2017), and Yalitoba (2019) which state that additional employee income affects employee performance.

Job satisfaction affects employee performance, which means that the more satisfied employees work in the agency, the impact on employee performance. The job satisfaction indicator that makes the biggest contribution to improving employee performance is a supervisory system such as the employee attendance monitoring system which currently uses technology so that employees can know whether they are in the city or outside the city. This system creates a sense of satisfaction for employees when they work, and of course, will

have an impact on work commitment. The findings of this study are in line with previous studies such as Damayanti et al. (2018) and Kertiasi et al. (2018) which states that job satisfaction affects performance.

Additional employee income plays an important role in increasing employee job satisfaction and has an impact on optimal employee performance to achieve organizational goals. Additional employee income is more described by a sense of justice to increase job satisfaction.

VI. Conclusions And Suggestions

Additional employee income, namely a sense of justice has a direct impact on increasing employee work. The impact of this sense of justice creates the work commitment of the employees of the health department, especially in solving problems and serving the community during this prolonged pandemic. Job satisfaction by employees can be seen in supervisory activities which have been considered to be following their habits. However, employees still do not feel something to the maximum point related to the provision of additional employee income. The role of job satisfaction as a result of providing additional income is still not effective enough to improve employee performance. It is necessary to conduct an in-depth study to determine how much additional employee income is appropriate to reach the point of maximum satisfaction. In addition, the mechanism for providing additional income allowances also needs to be evaluated in an in-depth research study.

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