

***THE IMPLEMENTATION OF 'INSENTIF BERBASIS KINERJA' AS
PERCEIVED BY THE ADMINISTRATION STAFFS AT A STATE UNIVERSITY
IN BANDUNG***

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ABSTRACT

The study attempts to identify the administration staffs' perceptions in a state university in Bandung towards the implementation of work-based incentive, called *Insentif Berbasis Kinerja* (IBK), which was enacted since January 2018. To increase the productivity of an organisation, pay-for-performance (PFP) is usually implemented in an institution. IBK is one of the forms of PFP. This paper is a part of a bigger research about the influence of IBK towards the administration staffs work motivation and discipline in a state university in Bandung. The participants of the study were 66 administration staffs in *Biro Hukum dan Kesekretariatan* division of the university. Qualitative descriptive is employed as the research method of the study. The data collection was conducted through questionnaires. The result of the study reveals that the perceptions of the administration staffs were categorised into three groups. By comparing with the previous incentive system, 19.70% perceive that IBK system is easier compared to the previous one, 22.72% perceive the same as the previous system, and 57.58% of the staffs perceive that the implementation of IBK is more difficult compared to the previous incentive system.

Keywords: Insentif Berbasis Kinerja (IBK), pay-for-performance (PFP), Staffs' perception, Administration staffs.

1. Introduction

Within the scope of the University, employees in this case Education Personnel have a vital role as the main executor of administrative tasks and the organization of activities at the University. The functions and roles that are felt are very helpful in providing and providing public services to the community well.

The emergence of problems in the performance of Education Personnel within the University is often associated with the perceived low welfare received by the Education Personnel, in addition to the tasks that must be carried out and the urgent needs. Welfare is a very close need to discipline and motivation of education personnel in carrying out their duties properly. If welfare is fulfilled, the discipline and motivation of the education staff will be good.

This paper is a small part of a larger study of the effect of work-based incentives on work motivation and employee work discipline. The research took place at one of the state universities in Bandung, in one division called the Bureau of Law and Secretariat. The study identified the implementation of work-based incentives, called Performance Based Incentives (IBK) for administrative staff. This incentive system has been implemented since January 2018. Therefore, in a short period of time, the consequences of implementing a new incentive system have not been discussed in one of the research papers. Potential impacts, strengths and disadvantages of applying IBK to employee motivation and work discipline, especially in the divisions mentioned at the University have not been investigated. Therefore, this paper tries to fill the study gap. The procedure for implementing IBK is also released.

Performance Based Incentives consider the elements of position and performance elements, in the calculation of IBK points, the element of attendance is also determined as a deduction factor in the IBK calculation. This element of attendance is divided into two parts. The first part regulates the time of attendance and the second part of absence.

This Performance Based Incentive is not only to provide the best incentives for education personnel but must also be accompanied by an easy process. For this reason, this study aims to identify the perceptions of staff education staff at a state university in Bandung regarding the implementation of Performance Based Incentives (IBK) which were implemented since January 2018.

1.2. Paper Identification

In accordance with the background of the problems raised above, the author tries to identify the problem in this study, namely by identifying perceptions and the description of how the current Performance Based Incentive System (IBK) is implemented.

The effectiveness of the IBK system has not been tested, many parties from the education staff have welcomed the implementation of the IBK system. However, not a few also give negative assumptions based on the perspective of suitability of providing incentives and a slight decrease in motivation and discipline of education personnel.

This arises because to get incentives, education personnel are required to adjust to the assessment of the three elements of incentives, namely, elements of Position, elements of performance and elements of attendance, by making reports every month in the form of job details,

performance appraisal performed by unit leaders and other supporting elements.

1.3. Formulation of the problem

Education Personnel are the determinants of the fluency of tasks and services at the University, especially at the University. Looking at the phenomenon above, it has become an obligation for the University to always be responsive in seeing the motivation and discipline of each educational staff in accordance with their duties, subjects and functions. By considering this, appropriate incentives become important supporting factors to create optimal motivation and discipline, so that complaints from education personnel can be minimized.

Based on the explanation and identification of the above problems, the author tries to formulate the problem, the Main Focus The study of the formulation of the problem in this study is, how is the description of the Application of the IBK System, Education Personnel within the Legal and Secretarial Bureau.

1.4. Research purposes

The purpose of this study is as a feasible material to obtain authentic data with appropriate data validity, as proof of hypotheses and answer to existing problems. This study aims to find out how the description of the Application of the IBK System, Education Personnel within the Bureau of Law and Secretariat.

2. Literature Review

The discussion on incentives cannot be separated from the discussion on compensation. This is because incentives are part of compensation (Conroy, et al., 2015). Compensation is everything that is given to employees as remuneration for their work.

Compensation is also an award given by the organization both directly and indirectly, financially and non-financially, which is fair to employees for their performance in achieving organizational goals. Thus, compensation is needed by any company to improve the performance of its employees.

Compensation is something that has a very strong influence on the performance of employees and organizations; ranging from individual emotions from employees to the performance of an organization (Gerhart & Rynes, 2003; Gupta & Shaw, 2014). Compensation is believed to improve employee performance which ultimately leads to increased productivity of an organization. That is why compensation is a fundamental element in human resource (HR) studies (Conroy, et al., 2015).

There are many forms of compensation that an organization can provide to its employees. In general, the compensation framework is divided into two forms, namely compensation in the form of money and compensation in the form of benefits (Morrell, 2011; Milkovich, et al., 2013). Compensation in the form of money, for example in the form of basic salary and incentives based on performance, or also called pay-for-performance or PFP, while compensation in the form of benefits is usually in the form of a decent living program, education, training, creating a conducive work environment, giving motivation reinforcement, and insurance (Conroy, et al., 2015; Milkovich, et al., 2013).

From this explanation, it can be seen clearly that incentives are part of compensation in the form of cash, or money. The difference between basic salary and incentives lies in the method of application. The basic salary is determined based on

skills and competencies since the first person is employed in an organization, while the determination of incentives depends heavily on distribution methods and performance measurement approaches (Conroy, et al., 2015; Conroy & Gupta, 2016; Park & Sturman, 2016).

Although experts in the compensation field mentioned earlier see incentives as part of compensation in the form of money, there are other perspectives on the type and form of incentives. Jeffrey and Shaffer (2007) stated that there is a form of non-monetary incentives, known as "tangible incentives". Many companies in North America have implemented this type of incentive, which even though it is in the form of noncash, is a unity with performance to reward and motivate employees (Jeffrey & Shaffer, 2007). Furthermore, these researchers stated that these 'tangible incentives' proved successful as rewarding employees, because compared to providing incentives in cash, these incentives get more affective responses because they involve visual imagination of something luxurious that employees can enjoy without having to buy it. own. However, this research also mentions that "tangible incentives" also have the opportunity to have weaknesses if it will be applied to replace incentives that have been used to be given in cash.

Based on its scope, the focus on the application of compensation is divided into two analyzes, namely micro and macro (Conroy, et al., 2015). Macro compensation is broader; examine the level of organizational performance, including the determination of wage levels and the structure of wage payments. Whereas micro compensation focuses more on a narrower scope, such as comparison of wages, measurement processes related to employee

performance, and performance based incentives or PFP (Conroy, et al., 2015). Thus, it can be seen that incentives are part of compensation in the form of micro-analysis.

In the study of micro compensation, there is one consensus that the application of PFP or incentives is closely related to the quantity of performance (Jenkins, et al., 1998). In addition, in the micro-compensation study, it is believed that employee satisfaction for wages received has a positive correlation with satisfactory performance, and also the negative correlation about satisfaction will result in changes in loyalty at the initial goal of work and high rates of absence (Williams, et al. , 2006)

Thus, incentives have a very important role in improving performance in order to create and maintain good employee performance so that the organization is able to compete and develop business because employees or human resources are the driving force of a business. Employees are the potential that can be properly utilized and secured to be able to provide optimal output. In this regard, special attention is needed in handling employees or human resources to improve the performance of individual employees so that the performance of an organization can improve.

Furthermore, incentives are a form of compensation that aims to stimulate interest in working. Furthermore, Terry (Suwatno and Priansa, 2016: 234) stated that "Lattery incentive means that which inclines or inclined to incite action". So, incentives are something that stimulates interest in working. Meanwhile, according to Kadarisman (2012: 182), incentives are a form of direct payment that is based or directly related to performance and gains

sharing which is intended as a benefit sharing for employees due to an increase in productivity of an organization. Furthermore, incentives can be interpreted as a stimulus given to employees to carry out work according to or higher than the standards set. So that in the end the incentive is the end result of a combination of assessment components that are assessed and done by the company (Handoko in Sejati, et al., 2015) using certain measurement approaches and methods to be given to employees (Conroy & Gupta, 2016; Park & Sturman, 2016)

Thus, incentives provide a very critical influence on the quality and effectiveness of human resources (Gupta & Shaw, 2014). This understanding is a good understanding if applied to a company because the company's performance and productivity will increase. Handoko (2005: 155) argues that "The term incentive system is generally used to describe wage payment plans that are directly or indirectly associated with various employee productivity / performance standards or organizational profitability or both of these criteria".

3. Research Methodology

3.1. Descriptive Analysis

Descriptive analysis, namely empirical analysis in the description of information obtained to provide an overview / describe about an event (who / what, when, where, how, how much) collected in the study. The data comes from the answers given by respondents to the items contained in the questionnaire. Next the researcher will process the existing data by grouping and tabulating then taking the mean (Mean) and then being given an explanation.

3.2. Data collection technique

Data collection techniques are part of an effort to collect and produce data for research purposes. This data collection is very necessary to test hypotheses that are carried out based on data that has been collected.

The collection techniques used in this study are:

a. Observation

The author directly observes the object of research to obtain data relevant to the problem under study.

b. Questionnaire

The author distributes the questionnaire to be filled directly by the respondent as done in the research to obtain public opinion. The questionnaire was made in the form of written statements that must be answered by the respondent. The distribution of this questionnaire aims to find out the description of the process of applying the IBK system, to the motivation and discipline of the Education Personnel in the Legal and Secretarial Bureau.

c. Documentation

The author conducts data collection and review activities derived from university documents that are related to the problem under study, as well as data covering the perspective of education personnel.

d. Study of literature

Literature studies are used to obtain theories and approaches related to research. By originating from books and scientific works or journals, especially those related to incentives, motivation and discipline.

3.3. Population and Sample

This study uses population techniques with respondents totaling 66 Education Personnel in the Legal and

Secretarial Bureau and 1 Resource Person as policy holder. From the results of the research obtained from the Education Personnel in the Bureau of Law and Secretariat totaling 66 people who were made as respondents in the study, it is known that respondents have varied characteristics seen from gender, age, employment status, length of work, and education.

4. Results and Discussion

4.1. IBK Implementation: One Perspective from Education Personnel

The implementation of the IBK system invited various attitudes from the education staff within the Bureau of Law and Secretariat. The diversity of attitudes can be classified into three groups. The first group stated that the application of IBK was felt to be more practical compared to providing incentives with the previous system. Whereas the second group stated that the IBK incentive implementation with the IBK system was the same as the previous incentive system, and the third group considered that the system of providing incentives through the IBK system was more complicated than the previous system. Meanwhile, the number of staffing staff based on these various perspectives can be seen in the following table:

Perspective of Education Personnel concerning Implementation of IBK Compared to Previous Systems.

Tabel 1

| | Jumlah Tendik | Prosentase |
|---------------|---------------|------------|
| Lebih Praktis | 13 | 19,70 % |
| Sama Saja | 15 | 22,72 % |
| Lebih Rumit | 38 | 57,58 % |
| Total | 66 | 100 % |

Based on the table, it can be seen that most (57.58%) staff of education staff think that the implementation of IBK is more complicated than the provision of previous incentives. Whereas 22.72% of education personnel assume that the implementation of IBK is the same as the previous incentive system. Meanwhile, 19.70% of them consider that IBK is more practical than the previous incentive giving system.

4.2. The IBK system is more practical

The first group, the education personnel group, considers that the implementation of the IBK system is more practical than the previous incentive system. In this group, there are at least three aspects that make the IBK system considered more practical than the previous incentive system; namely a sense of justice, clear regulations in performance measurement, and procedures in the distribution of incentives. First, the IBK system is considered fairer because the rules are clearer in measuring one's performance. This is as expressed by respondents 59 stated through a questionnaire, which states that:

"IBK, which has been implemented since January 2018, is more practical because it is in accordance with the performance based on justice for employees, in accordance with their jobs and duties."

From this statement it can be seen that in this group, a sense of justice is very dominating whether an incentive system is considered more practical or not. The education personnel assume that a sense of justice is very important whether or not a system. Thus the sense of justice is closely related to employee motivation, which in the end also determines one's work discipline (Hayibor, 2012; Conroy, et al., 2015).

Secondly, the IBK system is considered more practical because of the clear rules and measurements. This matter, related to the first aspect, makes the educational staff feel confident that everyone will get according to what they are trying. They assume that in IBK there is a clearer rule of certainty, as revealed by the two respondents as follows:

"The incentive criterion has been stipulated in the rector's regulation ..." (respondent 36).

"There is legal certainty ..." (respondent 44).

In this second aspect, more emphasis is placed on the clarity of methods and approaches to employee performance measurement. Whereas the third aspect of the respondents in this group stated that IBK in its income distribution process was considered more practical. This is because the work unit is not required to make an SPJ, as stated by respondent 39:

"Obviously the Treasurer of the Expenditure Assistance (BPP) of the work unit does not need to make financial SPJ ...".

In addition, in terms of distribution of incentive payments, IBK is considered more practical because it is not given in cash-in-hand. This can be seen from the following statement:

"... because incentives are distributed directly to employees through bank accounts, they are no longer distributed directly given the money that looks more complicated" (Respondent 61).

Thus based on the second and third aspects, the determination of incentives is very important in the distribution method and the method and approach to performance measurement used (Conroy, et al., 2015; Conroy & Gupta, 2016; Park & Sturman, 2016).

4.3 IBK system is the same as the previous system

The second group is education staff who think that the IBK system is the same as the previous incentive system. In this group, there were 15 people (22.72%) who considered IBK the same as the previous system. In general this group is more highlighting the amount of money. They stated that the amount of money received was the same as the previous system, as stated as follows:

"Whether direct or not incentives (that is, the IBK system — researchers), the same will ultimately get it too" (respondent 8).

"... the money received is the same" (respondent 9).

Although in this group the main perspective is more emphasized on the amount of money received, in general, respondents of the education staff in this group realize that there are differences in terms of administrative work, namely that they have to make Monthly Activity Plans (RKB) which are then reported in the form of Activity Reports Monthly (LKB). In addition, it can be confirmed that most education personnel in this group realize that, even though the amount of money received is the same or not much different, they state that their assessments and measurements are more transparent and clear.

4.4. The IBK system is more complicated than the previous system

This third group is the largest group. A total of 38 respondents to the education staff, or 57.58%, thought that the IBK system was more complicated than the previous incentive system. In this group,

there are various reasons why IBK is considered more complicated than the incentive system paid directly. However, the most prominent reason is that IBK has a long procedure, as disclosed as follows:

"It's more complicated because it goes through a number of stages / more processes and more stringent requirements. So that the disbursement process will add a longer time "(respondent 4).

Furthermore, a long procedure was also confirmed by the majority of the education staff respondents in this group. Specifically, some respondents confirmed the length of the procedure by adding information that this was due to the demands of the IBK system which required them to make the RKB, which was then reported in the form of LKB. In addition, LKB that has been verified by a direct supervisor cannot be disbursed immediately. But it must wait until the next month. In addition, if there is an activity that escapes reporting, then even if done, if it has passed the current month of payment, it cannot be disbursed.

"It's more complicated because you have to first report the results of your work and get paid in the following month" (respondent 20).

"The application of incentives can be immediately accepted at that time. Received at the end of the activity. ... IBK is a little complicated because it has to make a report of what is done. Only the incentives are paid and have to wait 1 month "(respondent 56).

"Because with the IBK system disbursement of incentive money is not timely to run and can also not be disbursed" (respondent 41).

An interesting phenomenon occurs after tracing the opinions of respondents in this group. The reason that is quite prominent from the respondents of the education personnel who enter this group is the negation of what is conveyed by the education personnel who fall into the first group category. In the first group, respondents who stated that the IBK system was fairer, a transparent calculation system, and in accordance with the performance carried out, were apparently not felt by the respondents of the education staff in the third group, as stated below:

"It is more complicated because the disbursement process must wait for input into the system, the IBK system is unfair and not transparent" (respondent 23).

"Because the employee must make a continuous report that is often not objective. There is no transparency. There is no justice. There is a possibility of manipulation "(respondent 22).

Respondent 22 stated that the IBK system opened up opportunities for manipulation. So even though the measurement approach and method are sufficiently detailed, cheating in data input regarding activities is still likely to occur. Thus the rational and initial goal of giving PFP is not achieved (Conroy, et al., 2015).

Furthermore, respondent 48 highlighted the injustice by revealing that the IBK system was considered detrimental because it seemed to be forced and not applicable to, for example a driver, especially in the working hours section. But he also admitted that he did not understand correctly about the implementation of the IBK system, saying:

"... The assignment letter is not sure to go to IBK points, because for reasons that

we do not understand and indeed have never been specifically informed" (respondent 48).

This can also be confirmed from one of the decision holders of the implementation of IBK through a semi-structured interview that:

"The understanding of employees towards IBK policy is still weak, because they do not understand or know the rules about IBK because they do not read the rules that apply to IBK" (interview with one of the decision holders).

From the explanation above it can be seen that the socialization of the implementation of IBK has not fully touched all employees. For this reason, it is necessary to check to provide further information for education staff who do not understand the rules in implementing IBK. This needs to be done in accordance with what is the stimulus factor for the emergence of an employee's motivation seen from the expectancy theory perspective (Conroy, et al., 2015; Lambright, 2010). Because incentives have a very close relationship with the quantity of employee performance (Jenkins et al., 1998), it is very important to ensure all employees understand the rules so they can manage their own business in achieving organizational goals (Ganta, 2014; Jeffrey & Shaffer, 2007), which is conditioned based on the desire to meet an individual's needs (Osabiya, 2015; Ganta 2014; Robbins & Judge, 2013).

Injustice was also highlighted by respondents 29. This respondent stated that the IBK rules detailed the duration and time of arrival and return. However, it is stated that:

"... For special staff such as rector staff, vice chancellor, and K3 UPT, excess hours are not recognized" (respondent 29).

In addition, it is still in terms of the sense of justice, opinions that are often expressed by several respondents from this group. Some respondents stated that the system for calculating performance in IBK cannot distinguish the quality of a person's performance.

"... Employees who work with high intensity and complexity will be hit flat with employees who work only standards. So that in the end often the job satisfaction of employees will always decrease, the decreasing work productivity of the employee concerned "(respondent 12).

From the perspective of the respondents in this group. It can be said that employees who expressed satisfaction with the enactment of IBK came from a group of employees whose intensity and level of work complexity were low. Thus it can be said that according to the perspective of most employees, this system cannot develop the principle of justice which is one of the main things in the creation of a conducive working atmosphere.

Furthermore, it was also revealed that the IBK system could not maintain the intrinsic motivation of employees because:

"... All work on the basis of money and little dedication. Every job outside of routine work must have an SK because there is a budget impact. Without SK, you don't want to work. The motivation is only for arrival, while the productivity is not clear "(respondent 45).

From this statement, it appears that motivation from the perspective of expectancy theory is very clear. Whereas seen from the perspective of agency theory, the working atmosphere like this is not good. This is consistent with what is said by that compensation can damage employees'

intrinsic motivation (Gagné & Forest, 2008; Gagné & Deci, 2005). So that employees are always oriented on what rewards will be obtained if doing an activity and work. This can affect the performance of employees, from individual emotions to their impact on the productivity of an institution (Gerhart & Rynes, 2003; Gupta & Shaw, 2014).

5. Conclusions and Suggestions

5.1. Conclusion

The application of IBK within the Bureau of Law and Secretariat, is in a pretty good category, but in the process it goes through 10 stages, which are considered to be longer and more complicated than the incentive given previously. Motivation and work discipline can be said to be good in line with the application of the IBK, but the motivation and good work discipline are highly dependent on the acquisition of IBK obtained.

A description of the implementation of Performance Based Incentives within the Law and Secretariat Bureau, through many stages: Employees make RKB, RKB verified and signed by direct superiors, physical evidence is stored, RKB achievements are reported to get Monthly Performance Reports to Superiors / Appraisers and Verifiers Verifiers / Appraisal Officials, LKB data, submitted to operators to be inputted to the application, data reported to the Finance Directorate, then the finance directorate disbursed through the Bank to be transferred and the employee received a notification and finally entered the employee account. In addition, from this study it can be identified that the majority of education personnel within the Bureau of Law and Secretariat state that the application of IBK is more complicated.

5.1. Suggestion

Along with the implementation of the IBK system, most of the education staff stated that in practice, the IBK system was quite complicated for them, given the quite long implementation procedures. In addition, incentives are paid the following month after the performance is inputted in the Monthly Performance Plan (RKB). Therefore, it is recommended that the University can make the application process more practical so that incentives can be given in the current month.

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