

Analysis of Additional Employee Income Provisions in Improve Employee Performance at The Ulunoyo District Office South Nias Regency

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ABSTRACT

This study analyzes the provision of Additional Employee Income (Tambahan Penghasilan Pegawai/TPP) in enhancing employee performance at the Ulunoyo Subdistrict Office, South Nias Regency. The research is motivated by the phenomenon that, despite the implementation of TPP, some employees still show low discipline, absenteeism, and lack of service quality. The study employs a qualitative approach with data obtained through interviews, observation, and documentation involving key informants such as the subdistrict head, secretary, section chiefs, and staff members. The findings reveal that the TPP policy has a positive impact on employee motivation and performance; however, its implementation faces several challenges, including weak discipline, low awareness of responsibilities, and limited supervisory mechanisms. The results suggest that the effectiveness of TPP depends not only on financial incentives but also on non-financial factors such as leadership, work environment, and employee commitment. Strengthening monitoring, improving employee discipline, and ensuring fair distribution of incentives are necessary to optimize performance outcomes. This research contributes to the discourse on public sector human resource management and provides insights for local governments in enhancing bureaucratic performance.

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1. INTRODUCTION

The effectiveness of public administration is largely determined by the performance of civil servants as the main drivers of governance. In Indonesia, government institutions are under constant pressure to improve efficiency, accountability, and service delivery (Gergin et al., 2022). The performance of civil servants, therefore, becomes a key determinant of public trust and organizational success.

Employee performance is influenced by various factors, including individual competence, motivation, organizational culture, and compensation systems. Compensation, in particular, serves as both a form of recognition and a motivational tool (Akkaya & Mert, 2022). An effective compensation policy can encourage employees to work productively and align their efforts with organizational goals.

The Indonesian government has introduced the Additional Employee Income (TPP) policy as part of a broader effort to improve civil servant performance. TPP provides financial incentives in addition to base salary and aims to strengthen motivation, discipline, and commitment among public employees (Linton & Klinton, 2019).

Previous studies highlight that TPP has contributed to improving employee discipline, reducing absenteeism, and increasing service quality in several government institutions (Linton & Klinton, 2019). However, its effectiveness varies depending on implementation mechanisms and local government capacity.

At the same time, challenges persist. In some regions, employees still demonstrate low levels of responsibility, lack of punctuality, and inadequate responsiveness to public complaints despite receiving TPP. These issues raise questions about whether financial incentives alone are sufficient to drive performance improvements (Wood et al., 2021).

In South Nias Regency, the local government has enacted regulations concerning the distribution of TPP to civil servants. The policy is expected to boost employee performance in subdistrict offices, which function as the frontline of public administration and community services.

The Ulunoyo Subdistrict Office plays a crucial role in coordinating government programs and delivering public services. As such, the performance of its employees directly affects public satisfaction and the effectiveness of governance at the local level (Manurung & Kurniawan, 2022).

Nevertheless, preliminary observations suggest that some employees at the Ulunoyo Subdistrict Office still underperform, despite the provision of TPP. Cases of absenteeism, delayed task completion, and poor service delivery continue to emerge, indicating potential gaps in the implementation of the incentive policy (AlSuwaidi et al., 2021).

These conditions necessitate an in-depth study to examine how TPP is being implemented in the Ulunoyo Subdistrict Office, what challenges are encountered, and how the policy influences employee performance (El Nsour, 2021).

This research, therefore, seeks to analyze the mechanism of TPP provision and identify the obstacles to its effectiveness. The findings are expected to provide practical insights for local governments in refining compensation strategies and strengthening human resource management in the public sector.

2. RESEARCH METHOD

This study adopts a qualitative research approach, which allows for an in-depth exploration of employee perceptions, experiences, and practices regarding the provision of Additional Employee Income (TPP). The qualitative method is particularly suitable for analyzing social and organizational phenomena where subjective interpretations and contextual factors play a significant role (Farooq et al., 2022).

The research was conducted at the Ulunoyo Subdistrict Office, South Nias Regency, where data were collected through in-depth interviews, direct observation, and documentation. Informants included the subdistrict head, secretary, section chiefs, and staff members. Informants were selected purposively to ensure that the data obtained reflected diverse perspectives and positions within the organizational structure. Triangulation of sources and methods was employed to enhance the validity and reliability of the findings (Khan, 2020).

Data were analyzed using Miles and Huberman's interactive model, consisting of three stages: data reduction, data display, and conclusion drawing (Rashid et al., 2023). Through this process, recurring themes, patterns, and relationships were identified, enabling the researcher to construct a comprehensive understanding of how TPP influences employee performance and what challenges arise in its implementation.

3. RESULTS AND DISCUSSIONS

1. Mechanism of TPP Provision

The research found that the provision of Additional Employee Income (TPP) at the Ulunoyo Subdistrict Office is guided by the South Nias Regent Regulation. The mechanism of distribution considers indicators such as workload, performance, and discipline. TPP is provided monthly as an incentive to increase employee welfare and work productivity. However, in practice, monitoring and evaluation systems are not consistently implemented, leading to discrepancies in discipline and performance outcomes (Spagnoletti et al., 2022).

2. Impact on Employee Performance

The data indicate that TPP has a positive effect on employees' work motivation and punctuality. Several employees admitted that receiving TPP encouraged them to complete tasks more effectively and maintain higher levels of commitment. The allowance also enhanced their financial security, which indirectly contributed to job satisfaction and productivity (Mueller & Jungwirth, 2022).

3. Challenges Encountered

Despite these benefits, challenges remain. Instances of absenteeism, tardiness, and incomplete tasks were still found among employees. Some informants pointed out that supervision is weak and that fairness in distribution is occasionally questioned. These conditions reduce the overall effectiveness of the TPP program in improving performance (Li et al., 2023).

Discussion

The results of this study indicate that the provision of Additional Employee Income (TPP) at the Ulunoyo Subdistrict Office has a positive impact on employee motivation and performance, although the effect is not uniform across all staff members. Financial incentives have been shown to enhance motivation, but their success in improving overall performance depends heavily on implementation mechanisms, supervision, and organizational culture (Ridwandono & Subriadi, 2019). This finding underscores the argument that compensation alone cannot serve as a comprehensive solution to performance issues in public organizations.

First, the mechanism of TPP distribution reflects the regional government's effort to establish a fair and transparent reward system. The criteria used such as workload, attendance, and performance are aligned with general principles of merit-based compensation. However, inconsistent application of these criteria creates a gap between policy and practice. Employees perceive that monitoring is not always conducted strictly, which weakens the effectiveness of TPP as a motivational tool (Spagnoletti et al., 2022).

Second, the research findings highlight that TPP positively affects punctuality and work discipline for some employees. Several informants mentioned that the allowance helped them maintain focus on their duties and improve task completion. Nevertheless, discipline issues, such as lateness and absenteeism, remain problematic. This suggests that while TPP motivates, it is not sufficient to eliminate entrenched behavioral patterns without stronger enforcement mechanisms (Mueller & Jungwirth, 2022).

Third, the persistence of these challenges supports the theoretical framework that emphasizes the importance of non-financial factors in performance improvement. According to (Gergin et al., 2022), employee performance is shaped by multiple dimensions, including organizational culture, leadership, and individual commitment. The Ulunoyo case illustrates that financial rewards alone do not address deeper issues such as weak supervision or lack of intrinsic motivation.

Fourth, leadership emerges as a critical determinant of the success of TPP implementation. Strong and consistent leadership can reinforce the value of incentives, ensure accountability, and foster a culture of responsibility among employees. Conversely, when leadership is less assertive in monitoring and evaluating staff performance, the intended outcomes of TPP are diluted. This aligns with the findings of previous studies which emphasize the central role of leadership in strengthening the impact of incentive-based policies (Goncalves et al., 2020).

Fifth, the issue of fairness in TPP distribution also influences its effectiveness. Some employees expressed concerns that the allocation did not always reflect individual contributions. Perceptions of unfairness can reduce motivation and lead to dissatisfaction, undermining the purpose of the incentive scheme. In this context, transparency and communication become essential to maintain trust and encourage employees to align their efforts with organizational objectives.

Sixth, when compared with prior studies such as those conducted by Delsiana (2022) and Samben (2022), similar challenges are observed. While TPP programs in different regions improved motivation, discipline and fairness issues persisted. This consistency suggests that the challenges are systemic rather than isolated, indicating the need for structural improvements in policy design and enforcement.

Seventh, the findings of this study also highlight the dual role of TPP as both a motivator and a potential source of dependency. While employees appreciate the additional income, there is a risk that reliance on financial incentives may overshadow the importance of intrinsic motivation, professional ethics, and public service values. Without balancing financial and non-financial incentives, employees may become less responsive to organizational goals beyond monetary rewards (Yuan & Li, 2023).

Eighth, the role of organizational culture is crucial in this context. A strong culture that values discipline, accountability, and teamwork can amplify the effects of TPP, while a weak culture undermines it. In the Ulunoyo Subdistrict Office, the persistence of lateness and low responsiveness to community complaints reflects a cultural gap that financial incentives alone cannot resolve (Schuh et al., 2019).

Ninth, the study also implies that TPP should be integrated into a broader human resource management strategy that includes training, career development, and performance evaluation. Such integration would ensure that incentives are supported by capacity building and professional growth opportunities. In the absence of these complementary strategies, TPP risks becoming a short-term measure rather than a sustainable driver of performance improvement (Chatterjee et al., 2021).

Finally, this research contributes to the broader discourse on public sector reform in Indonesia. It shows that while financial incentives are necessary to enhance employee welfare and motivation, they must be accompanied by structural reforms, leadership strengthening, and cultural change to achieve long-term improvements in performance (Schuh et al., 2019). The Ulunoyo case exemplifies the complexity of managing civil servants, where both material and non-material factors must be harmonized to deliver quality public services.

4. CONCLUSION

This research concludes that the provision of Additional Employee Income (TPP) at the Ulunoyo Subdistrict Office has a positive impact on employee motivation and performance, but its effectiveness is limited by persistent challenges such as low discipline, weak supervision, and issues of fairness in distribution. While TPP contributes to employee welfare and encourages productivity, it cannot fully resolve performance problems without the support of leadership, organizational culture, and non-financial incentives. The study recommends that the local government strengthen supervision and accountability mechanisms in distributing TPP, ensure transparency and fairness in its implementation, and complement financial incentives with training, performance evaluation, and leadership development. These measures are expected to maximize the impact of TPP and improve the quality of public services in South Nias Regency.

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