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ANALYSIS OF THE INFLUENCE OF PERFORMANCE MANAGEMENT THROUGH THE IMPLEMENTATION OF A PERFORMANCE-BASED REMUNERATION SYSTEM AND THE USE OF E-GOVERNMENT ON EMPLOYEE PERFORMANCE

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ABSTRACT

Performance management or what is usually called by performance management in organizations, both profit organizations and non-profit organizations such as government organizations, is a tool that is expected to be used to improve performance achievements, both organizational performance and employee performance. This performance management is carried out by the government in various ways, including by implementing a performance-based remuneration system and using e-government. This research aims to Analysis of the influence of performance management through the implementation of a performance-based remuneration system and the use of e-government on employee performance. This research method is descriptive qualitative. The target population consists of more than 800 civil servants and the sample size is 300 civil servants of the South Jakarta Administrative City Government. Researchers used a structured questionnaire for data collection, and for the data analysis process researchers used statistical package for social science (SPSS). Average and standard deviation are used to describe observation results. The principles of correlation and regression analysis are followed to analyze the relationship between variables.

INTRODUCTION

Employee performance is one of the important things that is often discussed to determine or provide direction for organizations in preparing future employee development plans. Human resources as employees are an important component in a government organization in providing services to the community. Employees' welfare will be guaranteed if all employee needs can be met, including economic needs which in this case are realized in

performance benefits delivery system. Therefore, there is a need to change the reward system which is only based on position and education, without considering your performance has been carried out by employees for the organization (Iriani, 2020). The remuneration system through the implementation of low basic salaries and allowances hampers the performance of these teachers. The importance of implementing a good remuneration system will improve teacher work performance. Teachers must be given bonuses for achieving performance that exceeds the targets. Pension programs and social welfare benefits must be made attractive to improve teacher performance. (Zikanga, 2021)

The remuneration system or provision of special allowance funds for civil servants within Ministries and institutions began to be implemented in 2008 in three institutions, there are Ministry of Finance, the Financial Audit Agency and the Supreme Court. In the South Jakarta Administrative City Government, this remuneration system was implemented at the beginning of 2015 through the policy of DKI Jakarta Governor Regulation Number 193 of 2015 concerning Regional Performance Allowances, and to date it has undergone several changes until the issuance of DKI Jakarta Governor Regulation Number 69 of 2022 concerning Second Amendment to Governor Regulation Number 19 of 2020 concerning Additional Employee Income.

In the current 5.0 era where digitalization has become very important to pay attention to, the use of Electronic Governance (E-Gov) systems both in the central government and regional governments. The Regional Government of South Jakarta Administrative City Government uses this E-Gov system with the term Electronic-Based Government System in Indonesia it is called by "Sistem Pemerintahan Berbasis Elektronik (SPBE). SPBE is one of the government's efforts used in performance management, which aims to realize clean, effective, transparent and accountable governance through the use of technology. This technology includes an entire planned and integrated performance support system, and it can be used as a tool that makes it easier for organizations to achieve the Key Performance Indicators that have been written in the Organizational Performance Agreement.

Based on data from the South Jakarta Administrative City Government Performance Report, one of key performance indicator of South Jakarta Administrative City Government Performance did not reached the target, the following data was obtained:

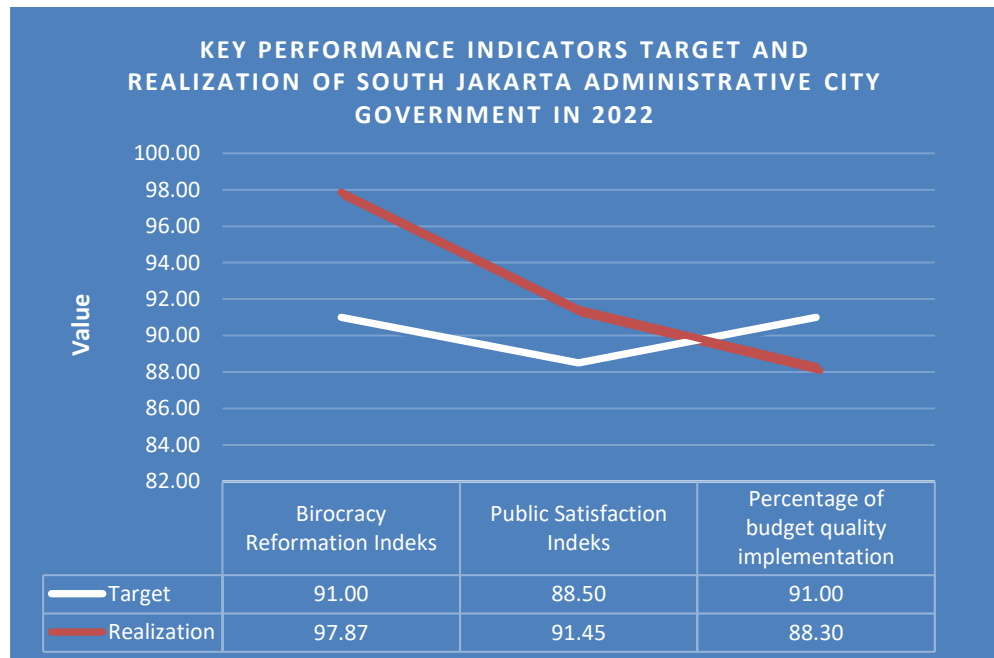
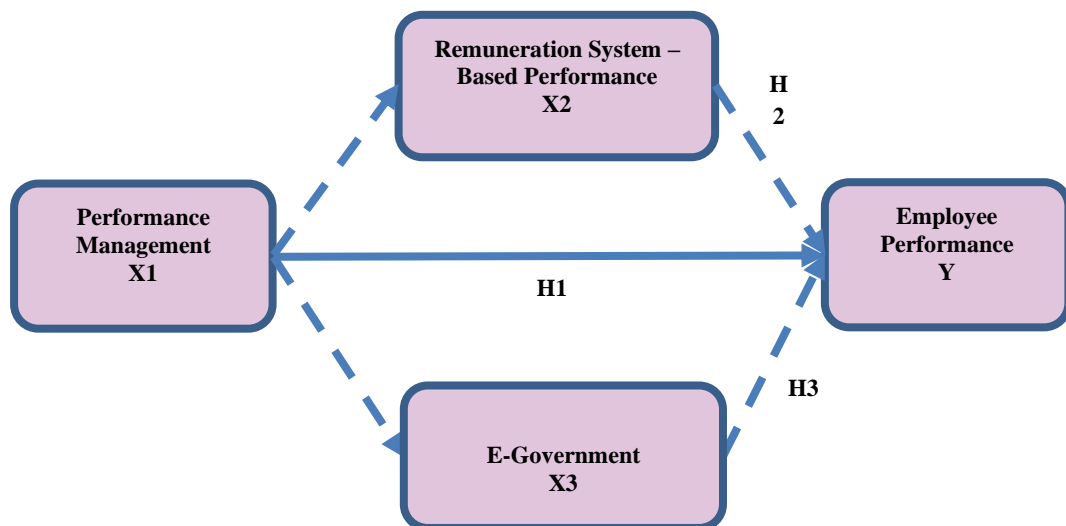


Figure 1 Key Performance Indicators target and realization of South Jakarta Administrative City Government

Based on this data, the researcher intends to conduct an analysis of the factors causing the failure to achieve this key performance indicators, especially in terms of performance management through the implementation of a remuneration system and the use of SPBE.

ANALYTICAL FRAMEWORK AND HYPOTHESIS



Based on the analytical framework, it can be concluded that the hypotheses of this research include:

o1	:	There is not any influences given by performance management on employee's performance.
Ha1	:	There is any influences given by performance management on

		employee's performance.
Ho2	:	There is not any influences given by performance management through Remuneration system on employee's performance.
Ha2	:	There is any influences given by performance management through Remuneration system on employee's performance.
Ho3	:	There is not any influences given by performance management through E-Government on employee's performance.
Ha3	:	There is any influences given by performance management through E-Government on employee's performance.

LITERATURE REVIEW

Herzberg's two factor theory

Two-Factor Theory was proposed by Frederick Herzberg [7]. Herzberg's research led to the following conclusions: First, there are extrinsic job conditions whose absence or inadequacy causes dissatisfaction among employees. However, if these conditions are adequate, it does not necessarily mean the employees are motivated. These extrinsic-contextual factors are the dissatisfiers or hygiene factors. The hygiene factors include: job, salary, working conditions, security, status, company policies, fringe benefits, quality of interpersonal relations among peers, supervisors, and subordinates and quality of technical supervision. Second, intrinsic job factors exist whose presence helps to build levels of motivation that can result in good job performance. However, if these conditions are not exist, it does not caused dissatisfaction. These conditions are intrinsic-content factors of the job and are called motivators. These motivators are include achievement, recognition, challenging work, responsibility, advancement, personal growth, learning, and development.

Motivation is doing something as drinking water for reducing thirst or reading book to gain knowledge. Motivation is a way to arouse the performance by organic, emotive, societal and intellectual powers. Many companies make handsome policies for developing skills of employees. These policies are very helpful for boosting the performance of organization and for achieving sufficient output (Bhadoriya & Chauhan, 2013). Current paper illustrates the first impression in Rafhan Maize Industry, Kotri Sindh. No any type of research is occur, in Rafhan Maize Industry Kotri. This paper recognizes the degree level of certain motivational factors are influenced. The results from this study contribute that motivating employees and sustaining the productivity, might significantly facilitate employees. Moreover, present study also finds that motivational factors have strong positive impact on performance of workers working in Kotri from Hyderabad, Sindh. The management of Rafhan Maize Industry keeps the relationship healthy and for long period that create benefits for both organization and individuals, which ultimately raise to industry reputation to national as well as international level.(Shaikh, 2020).

Human Resources Management

The human resources management could play vital roles in human resources success and productivity in the organization. Based on the 4th Industrial Revolution, it is mandated that Human Resource Management (HRM) practices be adopted for hiring and retaining employees. In this study, the main objective is to determine the relationship between training and development, performance appraisal, leadership styles and reward system, and their effect on the performance of employees in manufacturing sector. Based on adopted data gathered from manufacturing of manufacturing company in Malaysia, it is showed a positive effect of HRM practices on enhanced employee performance among manufacturing employees. Human resource management functions include planning, organizing, implementing, monitoring and evaluating employee performance. Performance appraisal is an important factor in efforts to improve employee performance (Shaharyar et al., 2014). However, this can be detrimental to self-motivated and open-minded employees as the performance gap may widen. Performance assessment requires identification of low or high performance based on established company standards.

Employee Performance

Based on data from a survey of 200 employees of FMCG companies in Multan regarding the analysis of the influence of Employee Empowerment and Employee Compensation on Employee Work Performance as well as moderating the role of Employee Accountability, the PLS-SEM results show that Employee Empowerment, Employee Compensation and Employee Accountability are all positively and significantly related on Employee Work Performance. Employee Accountability was found to partially moderate the relationship between Employee Empowerment and Employee Compensation using moderated regression. Based on these results, it is important for organizations to improve employee work performance, by developing and implementing strategies to provide appropriate compensation.(Adnan, 2021)

Remuneration

Remuneration is the payment method that an organization uses to pay salaries/wages to employees, high relationship between remuneration structure and employee performance of MTN Rwandacell Headquarters. This study thus recommends that the management of MTN Rwandacell should consider competently organizing the remuneration structure of the company. (Uwase, 2023).

According to Yousaf et al, (2014), the financial rewards include salary, bonuses, fringe benefits, transportation facility, medical facility, pension facility, health and life insurance and benefits such as full board vacation facilities. For a very long period of time, it was normally supposed that financial reward was the furthest influential promoter. Employees went to work and perform job in order to getting fair take home pay. If they work hard and long enough then they get more than the key performance target, they

thing that it will be fair enough to get bonus. It was a full circle perception where Money is Motivation, motivation is work, and work is to getting money (Agbenyegah, 2019).

On the other hand, according to Uzair and Mehmood (2021) Non-financial rewards exclude money because money is not always cannot be motivating factor for the employee. Non-financial rewards provided by management to employees in order to meet their wishes for appreciation, career opportunity, responsibility, autonomy, power, and recognition at work. Payments given to the employees so that they feel motivated and satisfied at the work-place because when employees are not motivated that organization cannot accomplish its goals and objectives. Employee motivation is the amount of enthusiasm, energy, dedication, and innovation that an employee brings to the workplace on a daily basis. Besides, Sher et al, (2010) said that organization can motivate their employees through non-financial rewards, and its is a significant influence on the employee performance and motivation. They explained that non-monetary motivations empower workers, resulting increasing of employees happiness at works, and at the end the employees are happy and begin to appreciate their jobs. It indicated that employees are motivated when they receive non-financial rewards such as flexible work hours, fun assignments, break time, accountability, appreciation, career opportunity, and paid lunch, (Uzair&Mehmood, 2021).

Electronis Government (E-Gov)

E-government refers to a government that uses information technology (IT) to redesign administrative functions, improve services to the public, and realize democracy more effective [Shin, 2012]. In another definiton, E-government is exemplified as a government using IT and the Internet as tools for better government implementation [OECD,2003], a government improving the relationship between the government and its citizens using the Internet Website an all the digital system included [UN, 2003], and a government using information technology to improve the connections between its citizens, companies, and governmental agencies [The world bank,2015]. Beyond the initial emphasis on the efficiency of administrative work and performance at the time of introduction [World Bank, 2001], e-government highlights the role of supporting values through more civic engagement, development, and political processes based on better policy results and quality services in a broader sense [Shin, 2012]. Since then, with regards to the form of next-generation e-government, various terms and concepts have been introduced and developed with a focus on cooperation and governance in the public sector.

Nowadays, lots of investments in e-government and smart city construction have continued without a clear goal as they have only focused on the tool-oriented perspective of electronic, digital, and smart aspects and the state of technology. Likewise, the existing studies on the governments institutions have expanded its concepts, scope, and themes, whereas they have hardly analyzed the process of their institutional changes. Starting from the assumption that the next generation e-government and smarter cities are

required to play a role as a platform that supports problem-solving so that citizens and stakeholders can have a better life together, one of the researches has been tried to compare the key success factors of the two systems and conducted the case analysis on the process of changes between the two systems according to the theory of institutionalism. It confirmed that the process of changing the smart city system of each country was not only affected by the level of the preceding e-government but also reflected and influenced by the larger socio-cultural contexts of each autonomous region. (Kim, 2021)

METHODOLOGY

Research Method

This research method uses a descriptive qualitative approach, with the consideration that the data obtained by the researcher is expected to be able to describe in detail the conditions or events that are described in real terms related to the variables under study, there are performance management through an Electronic Based Government System on employee performance achievements. This study applied an employee performance of South Jakarta Administrative City Government based on the realization on its key performance indicators in 2022. The population of the researches is about 820 employee, and the researcher using 300 employees as sample.

Research Design

A research design is a broad framework for gathering and analyzing data. Exploratory, descriptive, and causal study designs are the three most common types of study designs (Kamunge, S, Njeru, & I., 2014). Researcher will using a descriptive design in this study. Descriptive research design is a method of gathering raw data and constructing data structures that describe the existing characteristics of the target population. The descriptive research method is appropriate for studies aimed at determining the relationship between various variables.

Variable Operationalization

The following figure is an illustration that explains all the indicators used as the basis for questions in the survey for each research variable used

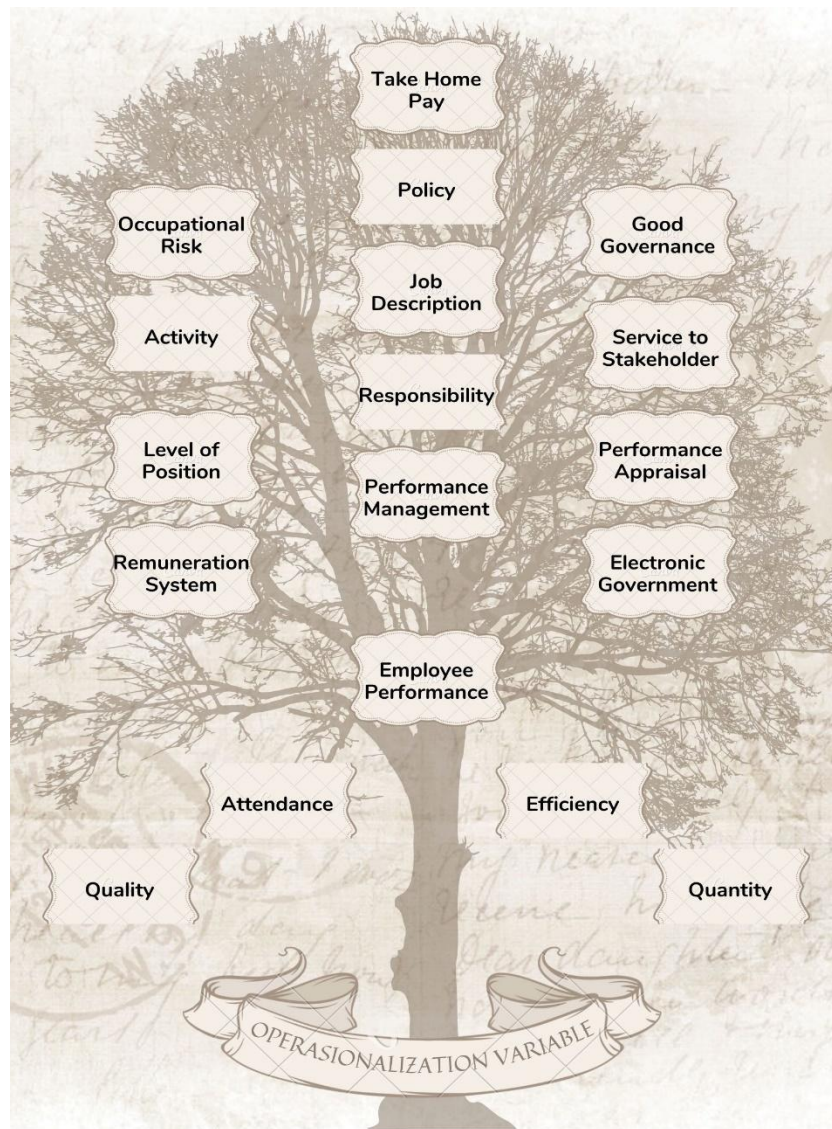


Figure 3 Variable Operationalization of the researches

DISCUSSION

Discussion

Researchers found a gap in previous research, where previous research only partially examined variables that influence employee performance, while this research used more complex variables where researchers analyzed the influence of performance management variables through intermediary variables, namely the remuneration system and use of e-government.

Conclusion

Based on literaturesreview regarding indicators of Performance Management, Remuneration, E-government and Employee Performance, it can be concluded that performance management covers the entire organization's efforts to improve employee performance, through using variable employee needs,

including the implementation of an appropriate remuneration system and the expected use of e-government, in order to increase transparency and objectivity of employee performance.

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