
Compensation Management in Pekanbaru City Government Environment in 2021 Study on Giving Additional Employee Income

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Abstract

This research is motivated by the problems that occur within the Pekanbaru City government in providing additional employee income (TPP). The problem that occurs is there is a cut in the provision of TPP in 2021 to employees. In this case, the provision of TPP goes through a long process and it is not given how much each employee will receive but through several processes first. There are several aspects that will be used as an assessment in determining the amount of TPP. The purpose of this study is to determine the compensation management system, especially in providing additional employee income (TPP) in the Pekanbaru City government environment and the authors want to analyze the constraints that exist in compensation management in providing additional employee income (TPP). This study uses the theory of Dessler (2014) which describes five stages in providing compensation, namely surveys, job evaluation, classifying work, giving prices for each level and improving payment levels. This study uses qualitative research with interview and documentation techniques. The results of the study show that compensation management, especially in the provision of additional employee income (TPP), is still not running smoothly. The reason for the cut in the provision of TPP to employees is budget constraints and in 2021, existing funds are diverted to health, because in 2021 there will be an increase in cases of Covid-19. In carrying out compensation management, of course there are inhibiting factors such as the lack of employee participation in carrying out the compensation management process and budget constraints.

Keywords: *Local Government; Compensation Management, Additional Employee Income*

Introduction

Compensation management is the process of developing and implementing compensation strategies, policies and systems that help an organization achieve its goals by getting and retaining the people it needs by increasing their motivation and commitment. In the current reality, the compensation received to employees tends to determine the standard of living and social standing in society. The importance of compensation for employees greatly influences their behavior and performance. Based on this view, the issue of compensation is seen as one of the challenges that must be faced by management. Compensation is no longer seen solely as satisfying material needs but related to human dignity.

Compensation management in the compensation determination procedure proposed by Dessler (2014) explains the parts of compensation. First, survey in which at this stage, the agency will conduct a survey in several ways, namely the organization can price its work as a benchmark and collect data on additional employee income (TPP), with the aim of knowing the appropriate amount to give to employees. Second, job evaluation which looks at a systematic comparison by carrying out job classifications for factor comparisons by comparing relative values by measuring tasks, responsibilities, skills and other requirements regarding each job. Third, grouping jobs for which after assessing the work done, then look at the level of difficulty of a job and can be seen from the educational background in grouping jobs. Jobs that have the same value will be grouped into one category or one level. Each of these categories or levels is then given a name and a corresponding job description. Fourth, price each pay tier where in each level and determine the standardization of the compensation carried out. Instances will determine the level of wages or salaries that will be given to employees in each category or level of work that has been determined. Fifth, fixed payment rates that aim to improve the level of payment in terms of years of service which can later become a benchmark for compensation earned.

In general, the purpose of compensation management is to help organizations or companies to achieve what has been set by the organization and ensure the creation of fairness both internally and externally. For internal justice, it can be obtained by evaluating positions, while for external justice, by conducting salary surveys outside the company by comparing it with other similar jobs outside the organization. Compensation is the result of employee performance towards the organization. In other words, the employee has given all his abilities to work in the organization, so it is natural for the organization to give or appreciate the hard work of employees by providing rewards or compensation to HR. Compensation is given with the intention of being repaid for the sacrifice of time, effort and thought that has been given to the organization.

The relationship between the organization and employees is a mutually beneficial relationship. Where, the organization as a party that offers work and job seekers as a party that offers their services to the organization. Hariandja (2002) explains "compensation payments are directly related to performance such as salaries, wages, bonuses and commissions so that they are often referred to as direct compensation and some are not directly linked to performance as an effort to increase employee peace and job satisfaction.

As we know, compensation management within the Pekanbaru city government, especially in additional employee income includes various policies and practices related to payroll and benefits for civil servants within the Pekanbaru City government. Some of the policies and practices that are usually regulated in compensation management within the Pekanbaru city government. First, salary and benefit arrangements. The Pekanbaru city government sets salary standards and benefits for civil servants based on their position structure and educational qualifications. This policy aims to ensure that the salaries and benefits provided are in accordance with the positions and responsibilities carried out by civil servants, as well as to encourage qualification and performance improvements. Second, performance evaluation and rewards. Pekanbaru city government conducts periodic performance evaluations to evaluate the performance and contribution of civil servants, and provides awards and incentives in the form of bonuses or special allowances to civil servants who are considered successful in achieving targets or good performance. Third, career development. The Pekanbaru city government provides career development programs for civil servants who wish to improve their qualifications and

competencies, such as training, courses or further education. This policy aims to help civil servants improve their performance and competence, as well as open up better career opportunities. Fourth, employee welfare. The Pekanbaru city government provides welfare programs for civil servants, such as health insurance, pension or employee credit programs. This policy aims to ensure the welfare and health of civil servants, as well as provide protection for them and their families.

In addition to the policies and practices described above, compensation management within the Pekanbaru city government must also pay attention to other aspects, such as transparency, fairness, and efficiency in managing human resources and the budget. This is important to ensure that compensation management can support the goals and vision of the Pekanbaru city government, as well as provide maximum benefits for civil servants and the community.

The provision of performance allowances is closely related to the implementation of bureaucratic reforms. Presidential Regulation No. 81 of 2010 states that bureaucratic reform aims to create a professional government bureaucracy with integrated, high-performance, adaptive, clean and KKN-free characteristics that are able to serve the public in a neutral, dedicated, prosperous manner and uphold firm values and a code of ethics for the state apparatus by providing performance allowances as a function of the successful implementation of bureaucratic reforms. Additional employee income is a form of compensation for employees within the Pekanbaru City government. Additional employee income is not included in the monthly salary, but is temporary or not fixed, and the amount may vary from time to time. The amount of Additional employee income is usually determined based on objective and measurable criteria in accordance with the Pekanbaru mayor's regulation number 55 of 2021 regarding additional employee income. The regulation describes several procedures for providing additional employee income and how to calculate it. TPP can be a motivation for employees to improve their performance and contribute more to the company. However, keep in mind that TPP is not a right or guarantee for employees, but is a form of appreciation given by the company for their extraordinary contribution.

Methods

This study uses a qualitative research method with an explanatory approach. This qualitative research helps researchers in depth regarding the research subject studied regarding insurance management. Meanwhile, the nature of explanatory research is to look for causes and reasons as well as evidence to support or refute explanations or predictions. The selection of informants used the snowball technique by using 'Key Informants' as key informants to get further informants who knew about the researcher's research. This study used Miles & Huberman's data analysis techniques, namely data collection, data reduction, data presentation and conclusions. The reason the researchers chose qualitative research was because they wanted to analyze and find out more about management in providing additional employee income (TPP) in the Pekanbaru City government environment by using data collection techniques by interview, observation and documentation.

Results and Discussion

As we know, the employer management system in the Pekanbaru City government environment by providing additional employee income (TPP), follows policies and practices related to payroll and benefits for civil servants (PNS). Safeguard management itself is a process of developing and implementing safeguard management strategies and systems that will help an organization achieve its goals. With the provision of compensation in the form of TPP, it is hoped that it will be appropriate and fair to all employees within the government of Pekanbaru City. In this case, to offer TPP in Pekanbaru City is in fact not required to be filled in and employees cannot protest if it is not disbursed and that is clearly in the Perwako City of Pekanbaru. This can have an impact on employee monthly income which of course will be much reduced. The problem that occurs in 2021 is that there is a 50% cut in the TPP offer, which is not a large enough amount to make a cut to TPP employees. From the existing changes, the Perwako has also changed twice, because the original plan was not to cut it.

Compensation Management within the government of Pekanbaru City in 2021

This study wants to analyze compensation management within the government of Pekanbaru City, according to the objectives of this study. To find out compensation management, researchers conducted in-depth interviews with informants using five indicators according to Dessler (2014), namely from the initial sequence in compensation management there are surveys, job evaluations, classifying jobs, pricing each level and improving payment stages. The following is an explanation of these indicators.

Survey

A survey is an activity of researching, checking, observing events or investigations in accordance with the data received in this case by the agency in providing TPP to employees. At this stage of the survey, the survey is used to determine the amount of TPP that employees will receive as a measure of the value base. For this first stage, a survey is needed in compensation management and is an early stage that must be considered. The survey on the TPP will be seen from workload, working conditions, scarcity of professions and other objects. To facilitate TPP calculations, government agencies have created a feature in the simpeg application called SINERGI, namely an employee performance information system. This Synergy feature is a place for employees to make daily and monthly performance reports. The survey is basically intended to determine the price of each employee as a benchmark and collect data on the offerings of TPP employees which can be done in several ways, namely the organization can price their work as a benchmark and collect data on benefits. by checking, reviewing or reviewing an incident or investigating according to the data received. Supervision can help the team or management pay fees by setting limits on how much assessment each employee gets. In accordance with the Pekanbaru mayor's regulation No 55 of 2021 Additional Income for State Civil Apparatus Employees in the Pekanbaru City Government, in chapter 2 article 2, it is stated that: TPP ASN is given in accordance with regional financial capabilities, TPP ASN is based on workload, working conditions, scarcity of profession and consideration of other purposes.

The survey here will examine, examine or review an incident or investigation from existing data. In this case, the provision of additional employee income (TPP) conducts a survey assisted by the SINERGI application feature, namely an employee performance information system, in which this system will help facilitate BKPSDM performance in recapitulating the monthly

performance of employees in the Pekanbaru City government environment. This synergy feature will become a forum for employee daily and monthly reports to fill in the performance that has been carried out.

Job Evaluation

Job evaluation is the second stage of compensation management. This evaluation is carried out to carry out job qualifications by comparing several factors by looking at the job qualifications according to the position. From the evaluation of the provision of TPP, it will be seen the comparisons and differences that will be received by each employee. This number will appear in the SINERGI feature which automatically calculates each employee's work report and shows the percentage of aspects that will be assessed. In this evaluation, it can help the BKPSDM agency in determining a fair value or amount of TPP. evaluating work in providing additional employee income or TPP, giving TPP whether the amount is large or small depends on each of these employees. Therefore, an application called SINERGI was created which is used by every government employee to fill in any daily activities in the application. From this application, the system has automatically calculated all activities that have been carried out, both absenteeism and performance.

Job evaluation is the second step in compensation management, where the evaluation will determine the relative value obtained from the job or position and a comparison is made according to the position of each employee. From this evaluation it will be seen the comparison or difference that will be received by each employee. This number will appear in the employee performance information system (SYNERGI) application feature which will automatically calculate from the work reports that each employee makes and it will be seen what percentage the employee gets each month. In this job evaluation, it can help agencies determine the amount of additional employee income (TPP) that is fair and balanced.

Grouping Jobs

Grouping work according to level is in accordance with the main task given, so, this grouping becomes efficiency by carrying out the functions and duties of each seen from the level of difficulty of the work. In giving TPP, do not arbitrarily determine the total number of TPP for each employee, if you meet the requirements, you will get the full TPP every month. Grouping jobs creates job classes. Determination of job classes is determined by the local government by forming a team of analysis and evaluation of positions by looking at, assessing positions systematically using several criteria as job factors. The result of the evaluation is the position weight which consists of the position value and the position class. Grouping a job is very necessary in determining the TPP, so that the TPP given is not arbitrary to employees and is in accordance with existing SOPs by going through several existing processes. Grouping these jobs makes it easy to provide classes for each position in the Pekanbaru city government. The following is an interview regarding job groupings. at this stage is the stage of grouping work which is assisted and facilitated by using an application made by BKPSDM, namely the SINERGI application. The function of this grouping is the difference that will be received by each employee, of course, what each employee will receive is different. In this case, employees also hope to get a decent and fair TPP in accordance with what has been done and the conditions. BPKAD explained that the grouping of employees is necessary in terms of reimbursement costs or TPP. The amount received depends on the position, workload, attendance and achievements obtained and will be calculated according to existing procedures.

With grouping, it can help facilitate the provision of TPP in the Pekanbaru City government environment. This grouping cannot be separated from the process of providing compensation or TPP, where in this grouping there are of course classes in it that will differentiate each employee to get TPP every month. For Pekanbaru City there are 12 job classes, of course this will affect the amount of TPP each employee will get.

The determination of the job class is determined by the respective regional governments by forming a job analysis and evaluation team by looking at several factors that will determine the job class of each employee. Each class will have a value limit that is used as a reference for determining class positions. The highest number of TPP is in grade 15. This process is used to systematically view and assess a position using criteria known as job factors. The result of this evaluation is the weight of the position which consists of the value of the position and the class of the position. The provisions in this stipulation are intended as a reference for each regional agency in determining the class of office.

Grouping jobs is one of the important things in determining the amount of additional employee income (TPP). In this grouping, employees will carry out work according to their respective duties and functions. This grouping of work will make it easier to provide job classes within the government of Pekanbaru City. This grouping will also be made easier by the SINERGI application feature made by BKPSDM. In this feature, each position class has a value limit that has been determined by the Pekanbaru City government to determine the basic calculation that will be accepted.

Pricing Each Tier

At this stage, giving prices for each level is a support for all transaction activities for providing additional employee income (TPP), while still paying attention to the standard of ability that employees have carried out. In this case, the existence of standardization in the provision of TPP follows the calculation of the basic TPP basic index which has been determined by the Ministry of Home Affairs for the City of Pekanbaru. For calculations and measurements, everything is contained in the Mayor of Pekanbaru City, with a performance productivity of 70% and 30% work discipline. From this calculation, it will produce the amount of TPP received by employees. Giving a price for each level is to support all TPP granting transaction activities while still paying attention to the standard of ability that employees have carried out. Standardization in the provision of TPP is necessary so that the provision of TPP is given fairly to each employee. Standards in calculating TPP have also been determined for each respective region. For the calculation of TPP ASN City of Pekanbaru using the following formula:

Basic TPP ASN = Amount of BPK Performance Allowance per position class x regional fiscal capacity index x construction cost index x local government administration index.

For the fiscal capacity of Pekanbaru City has a weight = 1

Construction cost index with weight = 0.8638

Local government administration index with weight = 1

Regarding pricing at each level in the TPP awarding process, of course there are standardization provisions that have been set in the Perwako in calculating the TPP award. This calculation is also in accordance with the economic condition of Pekanbaru City by looking at the fiscal capacity index, the construction cost index and the government administration index. pricing at each level in the TPP granting process, the BPKAD part in this case is determining how much the annual budget is for TPP. From this budget, it becomes a reference for the ability of the Pekanbaru City government to provide TPP to employees. After the budget is determined, each OPD will submit a staffing report to BKPSDM.

Fixed Payment Rates

Improving pay levels is the final stage of management pay, in which a pay grade consists of several jobs of equal difficulty or importance as indicated by the job evaluation by defining and developing a pay range based on years of service to calculate the starting salary of the basic employee. Of course, the level or class of each employee is different. For this reason, the TPP given is expected to be fair and precise in its distribution and in accordance with the existing mechanism. Improving the level of payment in compensation management is a job evaluation activity, of course each employee will receive a different amount. Improving payment rates is done in compiling payment rates for each job. A pay grade, consisting of several jobs and job evaluation by describing and developing a pay range based on years of service to calculate the amount of TPP to be awarded. improve the level of payment, it must be a consideration. The TPP given must be in accordance with the level or class of each. In the employee environment, it is commonly referred to as the position class and the class of each employee, which is definitely different. From here you can give the difference from the amount of TPP given. The existing TPP is expected to be fair and proper for every employee.

Obstacles Faced in Compensation Management in the provision of TPP within the Pekanbaru City Government

In the implementation of the provision of TPP within the government of Pekanbaru City, of course there are obstacles in the provision. These constraints can be an obstacle to the provision of TPP. Based on the results of research conducted by the author, several obstacles were found in implementing compensation management, as follows. :

Budget Limitations

Regional autonomy is a regional right, authority and obligation to regulate and manage its own government affairs and the interests of the community in accordance with statutory regulations. The broad autonomy authority obliges local governments to improve services and community welfare. With the enactment of regional autonomy authority, it is hoped that every region in Indonesia can and is able to carry out all government and development affairs by relying on local revenue (PAD). One of the main characteristics of a region capable of implementing regional autonomy lies in the financial capacity of the region. Sources of finance will depend on a policy that will be taken by the regional government itself. On the other hand, financial resources to finance various regional activities and improve the work of local governments.

In this case, the provision of TPP to employees is a big problem, because in Perwako it is explained that TPP is given according to the ability of the region, meaning that if regional finances are inadequate, TPP is not actually required to be given to employees. Regarding this matter, it is

very unfortunate, because if there is no TPP, then what employees will receive is only their basic salary. This budget limitation makes the region unable to pay TPP for employees within the Pekanbaru City Government. Pekanbaru City budget limitations can be an obstacle in providing compensation, especially for TPP. With this limitation, TPP may not be given to employees and will only receive a salary every month. In the process, TPP should be able to be given and the parties concerned manage compensation management so that the calculation can be even more specific, because this TPP can also support the performance of its employees.

Lack of Employee Participation

In granting TPP, there may be problems if one of the employees does not support the policies and programs that have been determined. Such as doing a report at the end of each month in determining the number of TPP and reporting the data to BKPSDM to check the next data. In this case, if employees cannot work together to carry out the report, then the data checking process will be hampered and result in the length of time the TPP is granted. Therefore, participation is needed in the process of granting TPP. In its management, the measurement of TPP refers to the achievement of SINERGI activities and the measurement of work discipline refers to the recapitulation of employee attendance. Each employee is required to fill in daily activities independently into the SINERGI application no later than seven days after the activity is carried out. In terms of realization, activities are carried out at the end of the current month, then the filling does not exceed the end of the month concerned.

If an old employee fills in daily activities in the SINERGI application, this will become an obstacle in disbursing TPP and will result in delays in searching for the following month. In this case, no sanctions were given for delays in the management process carried out by employees, only delays in the disbursement of TPP were received. one of the obstacles to disbursement can also be from the awareness of employees in activating the SINERGI application activities. This can be a big obstacle because it takes a long time to report to BKPSDM.

Survey in Giving TPP

In conducting a survey on the compensation management process through the SINERGI feature, of course, there are drawbacks. Although it can facilitate the work of BKPSDM, there is no guarantee whether the employee actually does his job or not. It is possible for employees not to do the work but still make work reports so that the TPP is not deducted and this can be a serious obstacle because it will create injustice to employees who do the work. accepted. here it is possible for employees not to do work but fill out daily work reports so that their performance is not cut, because the site has automatic calculations in paying the amount that will be given to employees every month. In this case, it can be an obstacle in giving TPP to employees with an unfair amount for each employee. Employees will feel unfairness if they do their job seriously and honestly fill out the daily report. The survey is the first step in determining the TPP, if at the beginning you don't fill out the application correctly, which becomes the survey stage to increase the amount for BKPSDM, then the next process will also follow.

Conclusion

Based on the results of research conducted by researchers regarding Compensation Management in the Pekanbaru City government environment in the provision of TPP, the authors will provide the following conclusions. There are five steps in the assessment management system within the government of Pekanbaru City, namely: a survey based on workload, working conditions, scarcity of professions and other objects using the SINERGI application feature. Furthermore, there is an evaluation that will determine the position of the classes by grouping jobs according to the main tasks of each job. To price according to the level will follow the standardization of what has been determined with the last fixing the level of payment as a job evaluation and developing a price range. The five compensation management processes will result in a fixed amount of TPP spending given to employees. In this case, management errors have not been optimal in their implementation. there needs to be a deeper discussion regarding the management compensation process to further optimize financial resources in the Pekanbaru City area, as well as make appropriate and effective allocations. Collaboration between employees is needed in the compensation management process in order to achieve a fair distribution of TPP within the Pekanbaru City Government, as well as to oversee the course of the process.

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