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**THE EFFECT OF ADDITIONAL INCOME FOR STATE CIVIL APPARATUS  
EMPLOYEES (INCENTIVES) ON THE PERFORMANCE OF CIVIL  
SERVANTS AT THE REGIONAL INSPECTORATE OFFICE OF WEST KUTAI  
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**Abstract**

This research begins with the problem that the performance of the West Kutai Regional Inspectorate Office is not right on target, there is no data on the number of damaged roads, while the additional income of state civil servants (incentives) has been increased by 100%. The purpose of this study was to determine the effect of additional income for state civil servants (incentives) on the performance of civil servants at the West Kutai Regional Inspectorate Office. In this study, the researcher uses the Mangkunegara theory which states that incentives are a form of motivation expressed in the form of money on the basis of high performance and also an award in the form of incentives on the basis of high work performance, which is a sense of recognition from the agency towards employee performance and contributions to the agency. The results of the study show that the performance analysis produced by civil servants at the West Kutai Inspectorate Office based on research has a significant effect. While the effect of additional income of state civil servants (incentives) on the performance of civil servants at the West Kutai Inspectorate Office can be said to have a positive and significant effect with a percentage of 49.7% while the remaining 50.3% is influenced by other factors not examined in this study.

**Keywords:** additional employee income; performance; civil servants

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**INTRODUCTION**

Government agencies are currently faced with complex problems, both seen from the internal and external influences of the agency. To help the agency run smoothly, it is necessary to have human resources. Human resources in a government agency is a very important aspect (Basnawi, 2017). Every institution that is established certainly has a goal to be achieved, in achieving these goals so that the maximum can be achieved by utilizing existing resources. One of the available resources and their existence has a big influence on the achievement of goals is human resources.

Human resources are "people's knowledge, skills, networks, and energies, as well as their physical and emotional health, intellectual talents, personalities, and motivations" (Lambrechts & Gnan, 2022). Human resources are the only resources that have a sense of feeling, desire, skill, knowledge, encouragement, power, and work (ratio, taste, and intention). All of these potential human resources affect the agency's efforts in achieving its goals. No matter how advanced technology, development of information, availability of capital and adequate materials, if without human

resources it is difficult for the agency to achieve its goals.

Civil servants as the main element of human resources have a role in determining the success of government administration and development which is very strategic in carrying out government duties (Essing et al., 2018). Based on Law no. 5 of 2014 concerning State Civil Apparatus. State Civil Apparatus, hereinafter abbreviated as ASN, is a profession for civil servants and government employees with work agreements who work for government agencies.

Every employee in an agency has their own interests and goals when the employee joins the agency, and it cannot be denied that the goal for most people, especially employees in an agency, is to earn a living and earn money. This means that if an employee has done a good performance, the employee will expect rewards both in money and in other forms. Ideally every agency should be able to balance the achievement of the goals of its employees.

Currently, to be able to follow all existing developments and achieve the goals of an agency where technological developments are increasingly sophisticated, it is necessary to have an encouragement or stimulation for employees to work well (Rahayu, 2020). Salary can no longer be used as the only tool to improve employee performance, therefore a combination of salaries in other forms of compensation is needed. One of the strategies that can be set in increasing professionalism, welfare of civil servants and improving employee performance is to provide additional income for state civil servants or incentives.

Additional income for state civil servants or incentives must be in accordance with regulations issued by the government. The provision of additional employee income is not only useful for improving employee performance, this is also an award for their good performance (Madjid, 2016). With

awards given in the form of incentives, employees can maintain good performance.

In the West Kutai Regional Regulation concerning the Establishment of the West Kutai Regional Apparatus and the West Kutai Regent Regulation Number 14 of 2017 concerning the position, organizational structure, duties and functions and work procedures of the regional apparatus, the West Kutai Mayor Regulation Number 14 of 2017 concerning Additional Income for Prospective Civil Servants Civilians and Civil Servants Within the West Kutai Government, adjustments need to be made. Furthermore, the Minister of Home Affairs Regulation Number 13 of 2006 concerning Guidelines for Regional Financial Management in article 39 paragraph (8) states that it is necessary to form a mayoral regulation regarding additional income for state civil servants of the West Kutai government.

The policy of providing additional income for state civil servants is very important to note, because this is related to the work results of employees in doing their jobs (Ihsan, 2017). By providing additional income for state civil servants in accordance with predetermined work standards, it means giving satisfaction and making a stronger relationship between employees and the institution where they work (Nuswantari et al., 2016). If the employee does not get additional income for civil servants in accordance with the amount of sacrifice in work, then the employee tends to be lazy and unmotivated and eventually they work as they please without adequate job satisfaction, which is as expected by the employee. Therefore, the relationship that leads to the achievement of goals will produce very beneficial results for both the agency and the employees themselves.

The West Kutai Regional Inspectorate Office as the research location is considered to have not shown satisfactory results even the performance of the Regional Inspectorate Office is still considered not on target and the performance of the West Kutai Regional

Inspectorate Office is still far from expectations as in terms of infrastructure improvements that still do not have a positive impact on development. In addition, the West Kutai Regional Inspectorate Office does not have accurate data on the number of damaged roads in West Kutai. While the additional income of the West Kutai State Civil Apparatus has been increased by 100%.

Rahmawati (2012) found the performance of the employees of the Bintan Regency Health Office in 2012 were low-performing. Improving the quality of human resources will improve the technical ability of employees in carrying out work so that employee performance increases. Moreover, remuneration and achievement motivation have an effect (Pasaribu, 2013).

Seeing the above conditions, the researchers were encouraged to conduct research with the title "The Effect of Additional Income of State Civil Apparatus Employees on the Performance of Civil Servants at the West Kutai Regional Inspectorate Office". The purpose of this study is to analyze the effect of additional income for state civil servants on the performance of civil servants at the West Kutai Regional Inspectorate Office.

## METHOD

The study uses a quantitative approach because to answer the formulations in this study, the researcher uses measurement techniques on certain variables to produce generalizable conclusions (Creswell, 2012). For the purposes of data analysis, researchers used the SEM (Structure Equation Model) model (Sugiyono, 2017).

### A. Data collection technique

To obtain data for information and other necessary information, this study uses primary data collection techniques, namely data collection techniques that are carried out directly at the research location of the respondents. The data collection technique used is through a questionnaire, namely the technique of collecting data

through a questionnaire is by giving a questionnaire to the respondent, namely giving a set of questions or a written statement to the respondent to be answered.

### B. Data analysis technique

This study uses a system of Structural Equation Modeling (SEM). SEM is a statistical technique for testing and estimating casual relationships by integrating factor analysis and path analysis. SEM is the development of the General Linear Model (GLM) with multiple regression as the main part (Abdillah & Hartono, 2015). SEM has been widely recognized in business research under various names: causal modeling, causal analysis, or confirmatory factor analysis.

This research uses data analysis method using SmartPLS software which is run with computer media. PLS (Partial Least Square) is a variant-based structural equation analysis (SEM) that can simultaneously test the measurement model as well as test the structural model. The measurement model is used to test the validity and reliability, while the structural model is used to test causality (testing hypotheses with predictive models).

## RESULTS AND DISCUSSION

### A. The Effect of Additional Income for State Civil Apparatus Employees on Civil Servant Performance at the West Kutai Inspectorate Office

In improving employee performance, there are many ways that can be done, one of which is by providing additional income for state civil servants or what is often called incentives (Brhane & Zewdie, 2018). In government agencies the system of providing additional employee income is based on the performance of the civil servant, according to workload, work performance, etc. Incentives are something that is considered important because it is a source of employee income that is used to

meet their daily needs. Incentives are very important to be considered and given to all employees because salary is no longer one of the things that encourage employees to work better.

Providing additional appropriate employee income will motivate employees to be enthusiastic in working and can improve employee performance. Because everyone certainly wants remuneration in accordance with the work they have done in a certain period of time. So, it can be concluded that the provision of appropriate additional employee income is one way to obtain optimal performance from each employee apart from work discipline and other things that are also able to encourage more optimal employee performance.

**B. Distribution of Respondents' Answers to Variable X (Additional Employee Income)**

In variable X, namely additional employee income, the researcher proposed 10 statements to 55 respondents. The statement was prepared based on the sub-indicators of the indicators proposed by Sondang P Siagian, where to provide incentives, namely based on; performance, length of service, years of service, needs, fairness and feasibility.

To describe the results of the answers from the respondents, the researchers described them in the form of tables accompanied by explanations and conclusions based on the statements that the researchers had compiled previously in the form of a questionnaire. The statement is as follows

**1. Performance**

**Table 1**  
**Respondents' responses to additional employee income based on workload**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	19	35%
2.	Agree	36	65%
3.	Disagree		

4.	Disagree		
5.	Strongly disagree		
Total		55	100%

Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who stated strongly agreed were 19 respondents or 35% and those who agreed were 36 respondents or 65%, no one answered less agree, disagree, and strongly disagree. If a civil servant works according to the workload he bears, the civil servant is in a position to work at a normal load. If it exceeds then the civil servant is in a position to work more than the normal load. In order for the performance of the civil servant to be good, it is necessary to determine the workload of the employee so that the civil servant does not work more than the normal workload.

Furthermore, the responses given by civil servants at the West Kutai Inspectorate Office for attendance at work

**Table 2**  
**Respondents' responses to the provision of additional employee income based on attendance at work**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	22	49%
2.	Agree	33	51%
3.	Disagree		
4.	Disagree		
5.	Strongly disagree		
Total		55	100%

Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who stated strongly agreed were 22 respondents or 49% and those who agreed were 33 respondents or 51%. If cumulatively as many as 55 respondents answered agree and strongly agree on the provision of additional employee income based on attendance at work. Therefore, it can be concluded that the provision of additional employee income at the West

Kutai Inspectorate Office is based on attendance at work. work and there will be deductions if the civil servant comes and goes not at the set hours, the presence of civil servants at work needs to be considered so that the performance of these civil servants can increase.

## 2. Length of Work

**Table 3**  
**Respondents' responses to the provision of additional employee income based on the length of time completing the work**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	1	2%
2.	Agree	11	19%
3.	Disagree	32	57%
4.	Disagree	6	11%
5.	Strongly disagree	6	11%
	Total	55	100%

Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who stated that they strongly agreed were 1 respondent or 2%, and those who agreed were 11 respondents or 19%. Those who stated that they did not agree were 32 respondents or 57%, and those who said they did not agree were 6 respondents or 11%. And those who strongly disagree are 6 respondents or 11%. So it can be concluded that the provision of additional income for employees at the West Kutai Inspectorate Office is not based on the time spent at work or not based on the length of time completing the work.

Then the responses given by civil servants at the West Kutai Inspectorate Office on attendance at work

**Table 4**  
**Respondents' responses to working 5 days a week**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	21	38%
2.	Agree	34	62%
3.	Disagree		
4.	Disagree		
5.	Strongly disagree		
	Total	55	100%

Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who stated strongly agreed were 21 respondents or 38% and those who agreed were 34 respondents or 62%. If cumulatively those who answered agreed and strongly agreed were 55 respondents. So it can be concluded that civil servants at the West Kutai Inspectorate Office work 5 days a week.

## 3. Years of service

The calculation of the period of service is calculated from the time the employee has a working relationship with a certain agency since the employee starts working with a work agreement. The following is the response given by civil servants at the West Kutai Inspectorate Office on the length of service that can determine the quality of work.

**Table 5**  
**Respondents' responses to tenure and quality of work**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	23	40%
2.	Agree	23	40%
3.	Disagree	5	8%
4.	Disagree	4	7%
5.	Strongly disagree	4	5%
	Total	55	100%

Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who stated strongly agreed were 23 respondents or 40% and those who agreed were 23 respondents or 40%. 5 respondents or 8% said they did not agree, and those who disagreed were 4 respondents or 7% and those who strongly disagreed were 3 respondents or 5%. So it can be concluded that the tenure can determine the quality of work. The longer the working period of a civil servant, the more work experience, so the quality of work he produces.

Responses given by civil servants at the West Kutai Inspectorate Office on years of service.

**Table 6**  
**Respondents' responses to additional employee income based on years of service or class**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	21	38%
2.	Agree	34	62%
3.	Disagree		
4.	Disagree		
5.	Strongly disagree		
	Total	55	100%

Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who stated strongly agreed were 21 respondents or 38% and those who agreed were 34 respondents or 62%. So it can be concluded that the provision of additional income for employees at the West Kutai Inspectorate Office is adjusted to the period of service or class.

#### 4. Needs

Needs are everything that a person needs to sustain his life and provide welfare and comfort. To find out whether the provision of additional employee income has met the needs or has not met the needs. The following are responses

given by civil servants at the West Kutai Inspectorate Office based on need.

**Table 7**  
**Respondents' responses to additional employee income according to needs**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	5	9%
2.	Agree	37	67%
3.	Disagree	7	13%
4.	Disagree	4	7%
5.	Strongly disagree	2	4%
	Total	55	100%

Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who stated strongly agreed were 5 respondents or 9% and those who agreed were 37 respondents or 67%, who stated less agree were 7 respondents or 13%. 4 respondents or 7% disagreed, which stated strongly disagreed as many as 2 respondents or 4%. Respondents who answered strongly agreed and agreed if they were accumulated to be 42 respondents while those who answered disagreed, disagreed, and strongly disagreed if they were accumulated to be 13 respondents. So it can be concluded that the provision of additional income for employees at the West Kutai Inspectorate Office has fulfilled the living needs of civil servants.

Responses given by civil servants at the West Kutai Inspectorate Office on satisfaction in receiving additional employee income (incentives)

**Table 8**  
**Level of satisfaction of respondents with additional employee income**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	8	14%
2.	Agree	22	40%
3.	Disagree	16	29%
4.	Disagree	7	13%
5.	Strongly disagree	2	4%

Total	55	100%
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Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who stated strongly agreed were 8 respondents or 14% and those who agreed were 22 respondents or 40%, who expressed less agree as many as 16 respondents or 29%. 7 respondents or 13% said they did not agree, which stated strongly disagreed as many as 2 respondents or 4%. It can be concluded that civil servants are satisfied with the additional employee income received at the West Kutai Inspectorate Office, but there are still civil servants at the West Kutai Inspectorate Office who are not satisfied with the additional employee income they receive.

#### 5. Fairness and Worthiness

Indicators of fairness and feasibility really need to be considered in providing additional employee income. The following are responses given by civil servants at the West Kutai Inspectorate Office based on fairness and merit.

**Table 9**  
**Respondents' responses to additional income in accordance with applicable regulations**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	20	36%
2.	Agree	35	64%
3.	Disagree		
4.	Disagree		
5.	Strongly disagree		
	Total	55	100%

Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who stated strongly agreed were 20 respondents or 36% and those who agreed were 35 respondents or 64%. If cumulatively those who answered agree and strongly agree were 55

respondents, it means that it is true that the provision of additional employee income at the West Kutai Inspectorate Office has been regulated according to applicable regulations and it can be concluded that the provision of additional employee income at the West Kutai Inspectorate Office is in accordance with applicable provision.

Then the response given by civil servants at the West Kutai Inspectorate Office was based on fair and proper.

**Table 10**  
**Respondents' responses to fair and proper**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	16	29%
2.	Agree	22	49%
3.	Disagree	3	6%
4.	Disagree	5	9%
5.	Strongly disagree	4	7%
	Total	55	100%

Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who stated strongly agreed were 16 respondents or 29% and those who agreed were 27 respondents or 49%. 3 respondents or 6% said they did not agree, and those who disagreed were 5 respondents or 9% the same as those who strongly disagreed, namely 4 respondents or 7%. If the cumulative respondents who answered strongly agree and agree as many as 43 respondents, it can be concluded that the additional employee income received is fair and proper, but there are respondents who state that the provision of additional employee income is not fair and proper.

#### C. Distribution of Respondents' Answers to Variable Y (Performance of Civil Servants)

In variable Y, namely the performance of civil servants, the

researcher asked 8 questions to 55 respondents. The statement was prepared based on the sub-indicators of the indicators proposed by Mangkunegara, namely quality of work, quantity of work, implementation of tasks, and responsibilities.

To describe the results of the answers from the respondents, the researchers described them in the form of tables accompanied by explanations and conclusions based on the statements that the researchers had compiled previously in the form of a questionnaire. The table of the statement is as follows

### 1. Work quality

The following is the response of civil servants at the West Kutai Inspectorate Office on the quality standards set.

**Table 11**  
**Respondents' responses to meticulous in completing work**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	20	36%
2.	Agree	27	49%
3.	Disagree	8	15
4.	Disagree		
5.	Strongly disagree		
	Total	55	100%

Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who stated strongly agreed were 20 respondents or 36% and those who agreed were 27 respondents or 49%, who answered disagreed as many as 8 respondents or 15%. If accumulated, those who answered agreed and strongly agreed were 47 respondents. So it can be concluded that civil servants at the West Kutai Inspectorate Office are thorough in completing the work, so that the work produced will be of high quality and in accordance with the expectations of the

agency. Civil servants are required to be careful in completing their work or completing their duties, where tasks that are carried out carefully will certainly produce quality work. The quality or not of a job can be seen from the thoroughness of a civil servant in doing his job or carrying out his duties.

Furthermore, the responses of civil servants at the West Kutai Inspectorate Office on the neatness in completing work

**Table 12**  
**Respondents' responses to being neat in completing**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	17	31%
2.	Agree	29	53%
3.	Disagree	9	16%
4.	Disagree		
5.	Strongly disagree		
	Total	55	100%

Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who stated that they strongly agreed were 17 respondents or 31% and those who agreed were 29 respondents or 53%, who stated that they did not agree were 9 respondents or 16%. A total of 46 respondents answered strongly agree and agree. So it can be concluded that the majority of civil servants at the West Kutai Inspectorate Office complete their work neatly, as in table 4.11 where civil servants at the West Kutai Inspectorate Office are thorough in completing their work. Careful and neat work will certainly be able to determine whether the work is of quality or not, therefore civil servants must be neat in completing their work.

### 2. Working Quantity

Quantity is a target that must be achieved by an employee, meaning that an employee must be able and ready and try to achieve that target or the amount of work produced by employees in a certain



period. The target or target of a civil servant is based on the employee's work target (SKP).

The following is the response of civil servants at the West Kutai Inspectorate Office on the work results.

**Table 13**  
**Respondents' responses to the increase in work**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	15	27%
2.	Agree	40	73%
3.	Disagree		
4.	Disagree		
5.	Strongly disagree		
	Total	55	100%

Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who stated strongly agreed were 15 respondents or 27% and those who agreed were 40 respondents or 73%. So it can be concluded that civil servants at the West Kutai Inspectorate Office have worked better than in previous times.

Responses of civil servants from the West Kutai Inspectorate Office on the employee's work targets.

**Table 14**  
**Suitability of the respondents to the suitability of the employee's work targets**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	18	33%
2.	Agree	37	67%
3.	Disagree		
4.	Disagree		
5.	Strongly disagree		
	Total	55	100%

Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who

stated strongly agreed were 18 respondents or 33% and those who agreed were 37 respondents or 67%. So it can be concluded that civil servants at the West Kutai Inspectorate Office complete tasks in accordance with the employee's work objectives or SKP.

### 3. Task Implementation

The following is the response of civil servants from the West Kutai Inspectorate Office to the main tasks and functions.

**Table 15**  
**Respondents' responses to the main task force**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	7	12%
2.	Agree	24	43%
3.	Disagree	14	25%
4.	Disagree	6	11%
5.	Strongly disagree	5	9%
	Total	55	100%

Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who stated strongly agreed were 7 respondents or 12% and those who agreed were 24 respondents or 43%, who stated less agree were 14 respondents or 25%, and who answered disagreed as many as 6 respondents or 11%, the remaining 5 respondents or 9% stated strongly disagree. It can be concluded that civil servants at the West Kutai Inspectorate Office work according to their main duties and functions. Where the West Kutai Inspectorate Office has sections such as roads, equipment, programming, water management and drainage, all of these sections have different main tasks and functions in each of their fields.

Furthermore, the response of the civil servants of the West Kutai Inspectorate Office on the work being completed earlier than the specified time.

**Table 16**  
**Respondents' responses to the work completed earlier than the specified time**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	9	16%
2.	Agree	10	18%
3.	Disagree	30	55%
4.	Disagree	4	7%
5.	Strongly disagree	2	4%
Total		55	100%

Source: Results of Processed Research Data, 2022

Based on the data in the table above, the responses of respondents who stated strongly agreed were 9 respondents or 16% and those who agreed were 10 respondents or 18%. Respondents who answered disagreed as many as 30 respondents or 55%, who stated disagreed as much as 4% or 7% and the remaining 2 respondents or 4% answered strongly disagree. So it can be concluded that the work of employees at the West Kutai Inspectorate Office is completed on time or completed at the time determined by the agency.

#### 4. Responsibility

Responsibility is an obligation that must be fulfilled by someone. Responsibility is certainly needed to produce good performance, a civil servant who is responsible for his work will certainly produce good performance.

**Table 17**  
**Responses of civil servants from the West Kutai Inspectorate Office for completing work**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	20	36%
2.	Agree	35	64%
3.	Disagree		
4.	Disagree		
5.	Strongly disagree		
Total		55	100%

Source: Results of Processed Research Data, 2022

Based on the data in the table above, the responses of respondents who stated strongly agreed were 20 respondents or 36% and those who agreed were 35 respondents or 64%. There were no respondents who answered that they did not agree, there were no respondents who answered that they did not agree, and there were no respondents who stated that they strongly disagreed. If cumulatively answered agree and strongly agree as many as 55 respondents. So it can be concluded that civil servants at the West Kutai Inspectorate Office complete the work in accordance with their responsibilities.

Every civil servant certainly has its own burdens and responsibilities. The responsibilities of civil servants are different from one another. Therefore, civil servants must be able to complete their work in accordance with their responsibilities and civil servants must be responsible for the work or tasks they have.

Furthermore, the responses of civil servants of the West Kutai Inspectorate Office in complying with applicable regulations.

**Table 18**  
**Respondents' responses in complying with applicable regulations**

No	Responses	Total (people)	Percentage (%)
1	Strongly agree	17	31%
2.	Agree	31	56%
3.	Disagree		
4.	Disagree		
5.	Strongly disagree		
Total		55	100%

Source: Research Processed Data Results, 2022

Based on the data in the table above, the responses of respondents who stated strongly agreed were 17 respondents or 31% and those who agreed were 31 respondents or 56%. And those who do not agree are 7 respondents or 13%. Those who answered agreed and strongly agreed if they were accumulated

as many as 48 respondents. The Inspectorate Office certainly has regulations that must be obeyed by all its employees, especially civil servants. Employees who violate these regulations will certainly be subject to punishment, one of which is deductions from additional employee income or what is often known as incentives. From the statement above, it can be concluded that civil servants at the West Kutai Inspectorate Office comply with applicable regulations.

#### D. Data analysis

Data processing techniques using the Partial Least Square (PLS)-based SEM method require a stage to assess the Fit Model of a research model (Ghozali, 2018). These stages are:

##### 1. Assessing the Outer Model or Measurement Model

There are three criteria in the use of data analysis techniques with SmartPLS to assess the outer model, namely convergent validity, discriminant validity and composite reliability. Convergent validity of the measurement model with reflexive indicators is assessed based on the correlation between the item component scores estimated with software PLS. Individual reflexive measures are said to be high if they correlate more than 0.70 with the construct being measured. However, according to Ghozali (2018) for research in the early stages of developing a measurement scale, the loading 0.5 to 0.6 is sufficient. In this study, a loading factor of 0.7 will be used.

**Table 19**  
**Outer Loading (Measurement Model)**

	Initial	The 2 <sup>nd</sup> test	The 3 <sup>rd</sup> test	The 4 <sup>th</sup> test	Final	Status
<b>Employee's Additional Income (Incentive)</b>						
X1	0.797	0.806	0.801	0.799	0.831	Valid
X2	0.744	0.733	0.761	0.761	0.762	Valid
X3	0.089	-	-	-	-	Invalid
X4	0.738	0.750	0.778	0.779	0.774	Valid
X5	0.634	0.630	0.655	0.656	-	Invalid
X6	0.698	0.705	0.711	0.780	0.731	Valid
X7	0.386	0.377	-	-	-	Invalid
X8	0.325	-	-	-	-	Invalid
X9	0.762	0.772	0.766	0.766	0.778	Valid
X10	0.378	0.398	-	-	-	Invalid
<b>Civil Servants' Performance</b>						
Y1	0.881	0.880	0.877	0.878	0.897	Valid
Y2	0.110	0.110	0.108	-	-	Invalid
Y3	0.833	0.839	0.837	0.837	0.865	Valid
Y4	0.524	0.523	0.516	0.522	-	Invalid
Y5	0.059	0.045	-	-	-	Invalid
Y6	0.267	0.269	0.271	-	-	Invalid
Y7	0.784	0.777	0.789	0.792	0.784	Valid
Y8	0.039	0.025	-	-	-	Invalid

Source: Research Processed Data Results, 2022

The results of processing using SmartPLS can be seen in the data in table 4.19. The value of the outer model or the correlation between the construct and the initial variable has not met convergent

validity because there are still quite a lot of indicators that have a loading factor below 0.7. Model testing is done by issuing indicators that have a loading factor below 0.7. In testing the final model

as in the data in table 4.19 it shows that all loading factor values have values above 0.7, so that the constructs for all variables have not been eliminated from the model.

## 2. Descriptive Statistics

Descriptive analysis provides an empirical description or descriptive of the data collected in the study. The data comes from respondents' answers to the items contained in the questionnaire and will be processed by grouping and tabulating, then given an explanation.

### a) Inferential Statistical Analysis

Inferential statistics, is a statistical technique used to analyze sample data and the results are applied to the population (Kalnadi, 2013), in accordance with the formulated hypothesis, so in this study the analysis of inferential statistical data was measured using SmartPLS (Partial Least Square) software starting from measurement model (outer model), model structure (inner model) and hypothesis testing. PLS (Partial Least Square) uses the principle component analysis in the measurement model, namely the variance extraction block to see the relationship between the indicator and its latent construct by calculating the total variance consisting of common variance, specific variance, and error variance. (error variance), so the total variance is high.

### b) Measurement Model (Outer Model)

Outer model is often also called the measurement model which defines how each indicator block relates to its latent variable. Blocks with reflexive indicators can be written as follows:

$$\begin{aligned} x &= \Lambda_x + \xi \varepsilon_x \\ y &= \Lambda_y \eta + \varepsilon_y \end{aligned}$$

Where  $x$  and  $y$  are indicator variables for exogenous  $\xi$  and endogenous latent variables, while  $\Lambda_x$

and  $\Lambda_y$  is a loading matrix that describes a simple regression coefficient that connects latent variables with their indicators. Residuals are measured by  $\varepsilon_x$  and  $\varepsilon_y$  can be interpreted as measurement error.

The measurement model (outer model) is used to assess the validity and reliability of the model. The validity test is carried out to determine the ability of the research instrument, measuring what should be measured, while the reliability test is used to measure the consistency of the measuring instrument in measuring a concept or it can also be used to measure the consistency of respondents in answering statement items in questionnaires or research instruments.

Convergent validity of the measurement model can be seen from the correlation between the indicator scores and the variable scores. An indicator is considered valid if it has an AVE value above 0.5 or shows that all outer loading dimensions of the variables have a loading value  $> 0.5$  so it can be concluded that the measurement meets the criteria for convergent validity (Kalnadi, 2013). The AVE (average variance extracted) can be formulated as follows:

The outer model is used to assess the validity and reliability of the model. The validity test is carried out to determine the ability of the research instrument, measuring what should be measured, while the reliability test is used to measure the consistency of the measuring instrument in measuring a concept or it can also be used to measure the consistency of respondents in answering statement items in questionnaires or research instruments.

Convergent validity of the measurement model can be seen from the correlation between the indicator scores and the variable scores. The indicator is considered valid if it has an AVE value above 0.5 or shows all outer loading dimensions of the variable having a loading value > 0.5 so it can be concluded that the measurement meets the criteria for convergent validity (Kalnadi, 2013). The AVE (average variance extracted) formula can be formulated as follows:

$$AVE = \frac{\sum_{i=1}^n \lambda_i^2}{n}$$

Information :

AVE is the average percentage score of variance that is ecstasy from a set of latent variables which is estimated by loading indicators in the algorithm iteration process in PLS.

i represents the standardized loading factor and i is the number of indicators. The results of the validity test on 18 items of questionnaire statements carried out on 55 respondents are as follows:

**Table 20**  
**Validity Test Results**

Measurement Model	Results	Critical Value	Evaluation Model
	Outer Model		
Convergent Validity	Variable	AVE	
	Employee's Additional Income (Incentive)	0.596	Valid
	Civil Servants' Performance	0.723	Valid
Discriminant Validity	Indicator	Cross Loading	
	X1	0.813	Valid
	X2	0.762	Valid
	X4	0.774	Valid
	Y6	0.731	Valid
	X9	0.778	Valid
	Y1	0.897	Valid
	Y3	0.865	Valid
	Y7	0.784	>0.5

Source: Research Processed Data Results, 2022

Based on the data in the table above through the measurement (outer model) it is known that there are no variables that do not meet the criteria so that they are declared valid. But there are 10 indicators that do not meet the criteria. Then to correct these indicators so that they meet the criteria, they are excluded and not included in the next test (see table 4.19) with the aim of increasing the model measurement score (outer loading)

of each item and the composite reliability score.

Based on the table above through the measurement (outer loading) states that all indicators meet the criteria so that they are declared valid. Furthermore, the reliability test can be seen from the value of Cronbach's alpha and the value of composite reliability. An item can be said to be reliable if the value of Cronbach's alpha must be > 0.6 and the value of composite reliability must be > 0.7.

By using the output generated by SmartPLS , composite reliability can be calculated by the following formula:

$$\rho_c = \frac{(\sum \lambda)^2}{(\sum \lambda)^2 + \sum \text{var}(\varepsilon_i)}$$

Where  $\lambda_i$  is the component loading to the indicator and  $\text{var}(\varepsilon_i) = 1 - \lambda_i^2$  compared to Cronbach alpha, this measure does not assume tau equivalence between measurements assuming all indicators are given the same weight, so Cronbach alpha to be tends bond estimate reliability, while composite reliability is a closer approximation with the assumption that parameter estimates are accurate. This is in line with the opinion of Werts et al, (1974) in Kalnadi (2013) that the use of composite reliability is better used in PLS techniques. The results of the reliability test can be seen in the following table:

**Table 21**  
**Reliability Test Results**

Variable	Composite Reliability	Critical Value	Model Evaluation
Employee's Additional Income (Incentive)	0.881	>0.7	Reliable
Civil Servants' Performance	0.886		

Source: Research Processed Data Results, 2022

**c) Evaluation of Structural Model (Inner Model)**

Structural model (inner model) is a structural model to predict causality

relationship between latent variables. Through the bootstrapping process, test parameters were T-statistic obtained to predict the existence of a causal relationship. The structural model (inner model) was evaluated by looking at the percentage of variance explained by the value for the dependent variable using the Stone-Geisser Q-square test and also looking at the magnitude of the structural path coefficient (Kalnadi, 2013). The equation model can be written as below:

$$\eta = \sum \beta_{ji} \eta_i + \sum \gamma_{jb} \xi_b + \zeta_j$$

Where  $\eta$  describes the endogenous vector (dependent) of the latent variable,  $\eta_i$  is the vector of exogenous (independent) variance and is the vector of the residual variable. Because PLS is designed for a recursive model, the relationship between latent variables, each dependent latent variable or often called a *causal system* of latent variables can be specified as follows:

$$\eta = \beta_0 + \beta \eta + \Gamma \xi + \zeta$$

where  $\beta_{ji}$  and  $\gamma_{jb}$  and path coefficients connecting endogenous predictors and exogenous latent variables and  $\xi$  along the index range  $i$  and  $\zeta_j$  is inner the residual variable. If the results produce a value  $R^2$  greater than 0.2, it can be interpreted that the latent predictor has a major influence on the structural level.

**Table 22**  
**Result For Inner Weight**

	Original Sample Estimate (O)	Mean of Subsample (M)	Standard Deviation (STEDEV)	T-Statistic (O/STERR)
Employee's Additional Income (Incentive) → Civil Servants' Performance	0.705	0.738	0.062	11.316

In PLS statistical testing of each hypothesized relationship is carried out

using simulation method is applied *bootstrap* to the sample. Testing with

*bootstrap* is also intended to minimize the problem of abnormal research data. The results of hypothesis testing show that the relationship of the additional variable of employee income (incentives) with the performance of civil servants shows a path coefficient value of 0.705 with a t value of 11,316. This value is greater than t table (1.9871). These results indicate that additional employee income (incentives) has a positive and significant relationship to the performance of civil servants, which means that it is in accordance with the hypothesis given earlier. This means that **hypothesis is accepted**, namely that there is a positive influence between the effect of additional income for state civil servants on the performance of civil servants at the West Kutai Inspectorate Office.

## CONCLUSION

The additional income of state civil servants (incentives) has a positive and significant effect on the performance of civil servants at the West Kutai Inspectorate Office. This can be seen from the results of the Result For Inner Weight which shows the path coefficient value of 0.705 with a t value of 11.316 which is greater than the t table (1.9871).

The performance of civil servants in the West Kutai Inspectorate Office is considered quite significant. This can be seen from the answers of the respondents who have a positive value. With the effect generated by additional 49.7% of employee income in improving employee performance, the remaining 50.3% is influenced by other factors not examined in this study.

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