

THE IMPACT OF ADDITIONAL INCOME AND WORK DISCIPLINE ON EMPLOYEE PERFORMANCE AT BPKAD KABUPATEN TULANG BAWANG

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ABSTRACT

This study investigates the impact of additional income and work discipline on employee performance at the Badan Pengelola Keuangan dan Aset Daerah (BPKAD) Kabupaten Tulang Bawang. Utilizing a descriptive quantitative research design, data were collected from 47 employees through observation, interviews, questionnaires, and documentation. The validity and reliability of the instruments were confirmed using SPSS, with high Cronbach's Alpha values. Correlation and regression analyses revealed significant positive relationships between additional income, work discipline, and employee performance.

The combined effect of these variables explained approximately 78.4% of the variance in employee performance. The findings underscore the importance of adequate compensation and strict work discipline in enhancing employee productivity. This research fills a notable gap in the literature by examining the interactive effects of these factors in the public sector, offering practical implications for policymakers and human resource managers.

Keywords: *Employee Performance, Additional Income, Work Discipline, Public Sector, Quantitative Research*

Introduction

Employee performance is a crucial determinant of organizational success, directly influencing the efficiency, effectiveness, and overall outcomes of an institution. In public sector organizations, the performance of employees plays an especially significant role in ensuring that services are delivered efficiently, resources are managed effectively, and public trust is maintained (de Waal, 2010; Huber, 1983; O'Toole & Meier, 2008). One such public sector organization is the Badan Pengelola Keuangan dan Aset Daerah (BPKAD) Kabupaten Tulang Bawang, an Indonesian government agency responsible for the management of regional finances and assets. Given the pivotal role of BPKAD in the administration of public funds and resources, understanding the factors that influence employee performance within this organization is critical not only for improving service delivery but also for achieving broader organizational goals (Hardiyansah et al., 2021; Nirwana & Haliah, 2018; Shahan et al., 2021; Syafitri et al., 2020).

The present study is designed to investigate two specific determinants of employee performance at BPKAD Kabupaten Tulang Bawang: additional income and work discipline. While employee performance has been extensively studied in various organizational contexts, the relationship between additional income, work discipline, and performance, particularly in public sector settings, remains underexplored. This study aims to address this gap by examining how these two factors interact and contribute to employee performance within BPKAD Kabupaten Tulang Bawang.

Employee performance, a multi-faceted construct, is influenced by a variety of factors, including motivation, job satisfaction, organizational culture, leadership, and the work environment. Among these, compensation and work discipline are often highlighted as key determinants (Juheti & Sulaeman, 2021; Paulus, 2022; Wilona & Defrizal, 2024). Compensation, in the form of salary, bonuses, or additional income, is generally perceived as a primary motivator for employees, influencing their level of engagement, job satisfaction, and, ultimately, performance (Chew & Chan, 2008; Gupta & Shaw, 2014; Van Herpen et al., 2005). Work discipline, on the other hand, is crucial for ensuring that employees adhere to organizational rules, meet deadlines, and maintain a consistent level of productivity. In the context of public sector organizations, where job security is

typically high and financial incentives may be limited compared to the private sector, the role of additional income and work discipline in driving employee performance warrants particular attention (Belle & Cantarelli, 2014; Bernstein & Reinharth, 1973; Franco et al., 2002; Wright, 2001).

Despite the widespread recognition of the importance of compensation and discipline in the workplace, the existing literature has often examined these factors in isolation, with studies predominantly focusing on either the impact of compensation on employee performance or the role of discipline in enhancing productivity (Gupta & Shaw, 2014; Nyberg et al., 2013; Xavier, 2014). For instance, research on compensation has largely emphasized its role in motivating employees, improving job satisfaction, and reducing turnover rates. Studies on work discipline, conversely, have typically explored how adherence to organizational rules and norms contributes to consistent performance and the avoidance of negative behaviors, such as absenteeism and tardiness (Barusman, 2019; Franklin & Pagan, 2006; Riccucci, 1988). However, there is a noticeable lack of research that investigates the combined effect of these two factors, particularly in the public sector and within the context of Indonesian government agencies.

This research seeks to fill this gap by providing empirical evidence on how additional income and work discipline jointly influence employee performance at BPKAD Kabupaten Tulang Bawang. The study posits that while additional income may enhance motivation and job satisfaction, leading to improved performance, its effectiveness may be moderated by the level of work discipline among employees. In other words, even if employees receive additional income, without a strong sense of discipline, the expected improvements in performance may not materialize. Conversely, high levels of work discipline may enhance the positive effects of additional income on performance, as disciplined employees are more likely to utilize the financial incentives provided to them in a manner that benefits both their personal productivity and the organization's overall performance.

The significance of this research lies in its potential to contribute to both academic literature and practical policy-making. Academically, the study advances our understanding of the interplay between compensation and discipline in the public sector, offering insights that can be applied to similar contexts in other government agencies and developing countries. By focusing on BPKAD Kabupaten Tulang Bawang, the research also provides a case study that highlights the unique challenges and opportunities associated with managing employee performance in Indonesian public sector organizations. From a practical perspective, the findings of this study could inform the development of more effective human resource management policies within BPKAD and other similar agencies. Specifically, the research may guide policymakers in designing compensation structures and disciplinary measures that not only motivate employees but also encourage adherence to organizational standards, thereby enhancing overall performance (Deadrick & Scott, 1987; Lee & Hwang, 2019; Park, 2018).

Methodology

This study employs a descriptive quantitative research design to explore the relationships between additional income, work discipline, and employee performance at the Badan Pengelola Keuangan dan Aset Daerah (BPKAD) Kabupaten Tulang Bawang. The research is guided by three hypotheses: (1) there is a significant positive relationship between additional income and employee performance, (2) there is a significant positive relationship between work discipline and employee performance, and (3) the combined effect of additional income and work discipline significantly influences employee performance. The choice of a quantitative approach allows for the precise measurement and statistical analysis of these relationships, thereby providing objective evidence to support or refute the hypotheses (Nyberg et al., 2013).

The study population includes all 48 employees of BPKAD Kabupaten Tulang Bawang, with a final sample of 47 employees selected through purposive sampling. This method was chosen to ensure that the sample accurately represents the population, focusing on individuals who have the most relevant knowledge and experience. Data were gathered through a multi-method approach, incorporating observation, interviews, questionnaires, and documentation review. This combination of methods enhances the study's reliability and validity by allowing for data triangulation, where different data sources are compared and corroborated (Farmer et al., 2006; Ollivier de Leth & Ros-Tonen, 2022; Tzagkarakis & Kritas, 2023).

The primary data collection instrument was a structured questionnaire, divided into sections that focused on additional income, work discipline, and employee performance. Respondents rated their agreement with various statements using a Likert scale ranging from "strongly disagree" to "strongly agree." The validity and reliability of the questionnaire were rigorously tested using SPSS software, with Cronbach's Alpha values confirming a high degree of internal consistency (e.g., 0.925 for additional income), ensuring the instrument's suitability for this research (Chang et al., 2023; Chyung et al., 2017; Kang, 2021).

Data analysis was conducted using both descriptive and inferential statistical techniques. Descriptive statistics provided an overview of the sample's demographic characteristics, while correlation and regression analyses were employed to test the research hypotheses (Adesina et al., 2020; Kore et al., 2019; Tamunosiki-Amadi et al., 2020). These analyses examined the relationships between the key variables and determined the extent to which additional income and work discipline predict employee performance, both independently and together. The significance of the results was assessed using p-values, with findings considered statistically significant at $p < 0.05$. This comprehensive approach to data analysis enabled the study to draw robust conclusions about the factors influencing employee performance at BPKAD Kabupaten Tulang Bawang.

Result and Discussion

The analysis of demographic characteristics revealed that the majority of respondents fall within the productive age range, with 42.5% of participants aged between 36 and 40 years. This demographic trend is noteworthy as it suggests a workforce that is likely to be in the prime of their professional careers, potentially contributing to higher levels of job engagement and productivity. Educational qualifications among respondents were also significant, with most holding a bachelor's degree (59.6%). This was followed by an equal proportion of respondents (14.9%) who either held a high school diploma or a master's degree. These educational demographics suggest a well-educated workforce, with a strong foundation of knowledge and skills that are critical for effective job performance in the public sector. Additionally, a considerable portion of the respondents (38.3%) reported having more than five years of work experience, which further indicates a seasoned group of employees who are likely familiar with their roles and the organizational environment. This combination of age, education, and experience sets a solid foundation for the examination of factors influencing employee performance.

The correlation analysis provided compelling evidence of significant positive relationships between employee performance (KINERJA) and the two key variables under investigation: work discipline (DISIPLIN KERJA) and additional income (TAMBAHAN PENGHASILAN). Specifically, the correlation coefficients were 0.820 ($p < 0.01$) for work discipline and 0.839 ($p < 0.01$) for additional income, indicating strong associations with employee performance. These findings suggest that both factors are not only individually important but also closely related to how well employees perform their duties. The strength of these correlations underscores the importance of maintaining high levels of discipline and providing adequate financial incentives as strategies for enhancing performance in public sector organizations.

Further analysis using regression techniques confirmed these findings, offering deeper insights into the relative contributions of work discipline and additional income to employee performance. The regression model summary demonstrated a strong overall relationship, with an R value of 0.885. The R^2 value of 0.784 indicates that approximately 78.4% of the variance in employee performance can be explained by the combined effect of these predictors. This high explanatory power reflects the critical role that both work discipline and additional income play in determining how employees perform their tasks. In terms of individual contributions, the regression coefficients revealed that work discipline ($B = 0.534$, $p < 0.01$) had a slightly stronger impact on employee performance than additional income ($B = 0.415$, $p < 0.01$), although both were statistically significant. This suggests that while financial incentives are important, the enforcement of discipline might have a more pronounced effect on ensuring consistent and high-level performance among employees.

Discussion

The findings of this study provide significant insights into the factors influencing employee performance within public sector organizations, specifically focusing on the BPKAD Kabupaten Tulang Bawang. The strong positive correlations between work discipline, additional income, and employee performance affirm the study's hypotheses, demonstrating that both factors are essential determinants of employee performance. These results align with the broader literature, which underscores the critical roles of compensation and discipline in enhancing employee productivity (Belle & Cantarelli, 2014; Gupta & Shaw, 2014; Nyberg et al., 2013). However, this study contributes to the existing body of knowledge by revealing the interactive effects of these variables, particularly within the context of Indonesian public sector organizations, which have been relatively underexplored (Chew & Chan, 2008; Shahan et al., 2021).

The regression analysis provides compelling evidence of the combined impact of work discipline and additional income on employee performance, with an R^2 value of 0.784, indicating that these two factors together explain a significant portion of the variance in employee performance. This finding emphasizes the need for a holistic approach to human resource management in the public sector, one that simultaneously considers multiple

factors to optimize employee performance (Franco et al., 2002; Hardiyansah et al., 2021). Notably, work discipline emerged as a slightly stronger predictor than additional income, underscoring the vital role of organizational culture and leadership in cultivating an environment where employees are motivated not only by financial incentives but also by a commitment to organizational goals and standards (Juheti & Sulaeman, 2021; Paulus, 2022).

Furthermore, the high level of variance explained by the model suggests that public sector organizations, such as BPKAD Kabupaten Tulang Bawang, can achieve significant improvements in employee performance financial aspects of job satisfaction. This includes implementing clear disciplinary policies, ensuring that employees adhere to organizational norms, and providing financial rewards that reflect their contributions' importance (de Waal, 2010; Van Herpen et al., 2005). The findings imply that any effort to improve employee performance in the public sector should be multifaceted, addressing the need for fair compensation structures and the importance of cultivating a disciplined and focused workforce (Bernstein & Reinharth, 1973; Wright, 2001).

This study advances our understanding of employee performance in the public sector by empirically demonstrating the significant and combined effects of additional income and work discipline. The results suggest that while financial incentives are crucial, the enforcement of discipline plays an even more critical role in ensuring consistent performance. These insights have essential implications for public sector management, indicating that policies aimed at improving employee performance should focus not only on financial rewards but also on reinforcing work discipline. By doing so, public sector organizations can enhance service delivery, achieve organizational goals, and maintain public trust (Huber, 1983; O'Toole & Meier, 2008).

Conclusion

This study demonstrates that additional income and work discipline are significant predictors of employee performance at BPKAD Kabupaten Tulang Bawang. The findings highlight the importance of providing adequate compensation and enforcing strict work discipline to enhance employee productivity. Future research should explore the impact of other variables, such as job satisfaction and organizational culture, on employee performance. Additionally, longitudinal studies could provide deeper insights into the long-term effects of these factors. This research contributes to the existing body of knowledge by filling the gap in the literature regarding the combined effect of additional income and work discipline in the public sector, offering practical implications for policymakers and human resource managers.

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