
ANALYSIS OF MANAGEMENT OF PERFORMANCE ALLOWANCES FOR LITERARY STAFF AT THE UNIVERSITY OF EDUCATION INDONESIA

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ABSTRACT

This study analyzes the management of performance allowances for educational staff at the Faculty of Language and Literature Education (FPBS), Indonesian Education University (UPI). Performance allowance is additional compensation based on work achievement, designed to boost motivation, productivity, and overall organizational performance. While this allowance is crucial for improving productivity, accountability, and the quality of administrative services, its implementation at FPBS UPI faces challenges. These challenges include a low understanding of indicators, a lack of transparency in evaluation, and suboptimal use of information technology. Such obstacles can hinder the achievement of objectives and lower employee motivation and satisfaction. Using a descriptive quantitative approach through observation and interviews, this study aims to describe the current state of performance allowance management. The results indicate that the management of performance allowances is considered relatively good by employees. The majority of employees understand the performance indicators, perceive the evaluation mechanism as transparent, and feel the efficiency benefits of information technology. However, improvements are still needed in system communication and complaint procedures. The findings are expected to provide a comprehensive overview of the performance allowance system's implementation and its success factors

Keywords: Performance Allowance, Educational Staff, HR Management.

INTRODUCTION

In the era of bureaucratic reform and digital transformation, effective human resource management in higher education is key to organizational success. The performance of educational staff not only impacts the quality of administrative services but also directly supports the sustainability of the academic process. A crucial aspect of human resource management is the compensation and reward system, in which performance allowances serve as a strategic instrument. These allowances are designed to increase productivity, accountability, and service quality, while simultaneously fostering a results-based work culture and encouraging continuous improvement in the workplace (Presidential Decree No. 19, 2025).

The Faculty of Language and Literature Education (FPBS) at the Indonesian University of Education (UIE), as an integral part of the university, bears a significant responsibility in supporting the smooth running of academic and administrative processes. Therefore, the management of performance allowances for educational staff at FPBS is a crucial issue. This system must encompass planning, implementation, monitoring, and evaluation, all carried out in a transparent and accountable manner. Performance allowances are expected to be a key motivator for each employee to deliver their best contribution, which will ultimately impact the achievement of the faculty's vision and mission.

However, in practice, the implementation of the performance allowance system at FPBS UPI still faces various challenges that could potentially hinder its effectiveness. Some of the problems identified empirically in the field include poor understanding of performance indicators among education personnel, a lack of transparency in assessment mechanisms, suboptimal use of information technology, and imbalances in workloads. These challenges not only have the potential to hinder the achievement of the allowance objectives but can also reduce employee motivation and job satisfaction (Rahmawati & Prasetyo, 2022; Yusuf & Santosa, 2023). This indicates a gap between the ideal policy and its implementation in the field.

This research is highly needed because educational staff play a crucial role in supporting the Tri Dharma (three pillars) of higher education. This study aims to scientifically examine the impact of performance allowance management on employee performance, unlike previous studies that have focused on qualitative descriptions. Using this method, we can measure the impact of performance allowance management variables on educational staff productivity. We anticipate that this research will shed light on the effectiveness of performance allowance systems and the elements that significantly influence their success, as well as offer robust empirical data to support these claims.

THEORETICAL BASIS

Performance allowances are additional compensation based on work performance aimed at increasing motivation, productivity, and organizational performance (Robbins & Judge, 2017). Their management is a systematic process that requires clear performance indicators and is supported by an adequate information system (Handayani & Rachmawati, 2024). Husin & Putra (2024) found that these allowances significantly improve employee well-being and productivity.

This study focuses on three main indicators that influence the effectiveness of performance allowance management:

- **Understanding Performance Indicators**
This indicator measures how well employees understand the performance appraisal criteria. In theory, a good understanding is a prerequisite for performance allowances to be effective as a motivational tool and work guide (Haryono, 2016).
- **Transparency of Assessment Mechanism**
This indicator measures the level of openness and fairness in the assessment process. A lack of transparency can erode trust and decrease motivation, while high transparency fosters perceptions of fairness and motivates employees (Rahmawati & Prasetyo, 2022).
- **Optimizing the Utilization of Information Technology**
This indicator measures the effectiveness of technology use in benefits management, such as documentation and verification of work performance. Optimal use of technology increases efficiency and accuracy, ultimately supporting the effectiveness of the overall benefits system.

METHOD

Types of research

Using quantitative and descriptive methodologies, this study seeks to understand how the Faculty of Language and Literature Education at the Indonesian University of Education manages performance allowances for its teaching staff. Understanding performance indicators, having transparent assessment methods, and maximizing information technology are the three main focuses of this research.

Location and Time of Research

This research will be conducted at the Faculty of Language and Literature Education, Universitas Pendidikan Indonesia. The study is expected to last two months, from March to May 2025.

Research Variables

- Single Variable: Performance Allowance Management, which is measured through three indicators:
 1. Understanding Performance Indicators
 2. Transparency of Assessment Mechanism
 3. Optimizing the Utilization of Information Technology

Population and Sample

Everyone working at the Faculty of Language and Literature Education, UPI, was considered part of the research population. In total, 55 individuals were included in the sample. To ensure the validity of the data obtained, the researchers employed a purposive sampling strategy, selecting the sample based on specific criteria aligned with the research objectives.

Data Types and Sources

Based on the method of acquisition, the types and sources of data in this study are:

1. Primary Data: Data obtained directly from the field through a questionnaire with a Likert scale of 1-5. This questionnaire consists of 30 questions measuring the three indicators.
2. Secondary Data: Supporting data obtained from internal faculty documentation, journal references, and related literature.

Data collection technique

In this study, data was collected by distributing a Likert-scale questionnaire to measure respondents' perceptions. This questionnaire was distributed to a sample of 55 individuals to obtain supporting data, both through Google Forms and in print.

Data Analysis Techniques

The SPSS statistical application was used for data analysis. This analysis was carried out in stages:

1. Pearson product-moment correlation: validity test. At the 5% significance level, an item is considered valid if the calculated r value is higher than the table r (0.2656).
2. Cronbach's Alpha will be used for reliability testing. The instrument is considered reliable if the α value is greater than 0.70.
3. We evaluated the data descriptively, finding the average value, percentage, and frequency of each indicator and questionnaire item. To provide a clear and measurable picture of the state of performance allowance management, these findings are presented in tabular form.

RESULTS

Research result

Table 1. Respondent Characteristics

Characteristics	Category	Amount	Percentage
Gender	Man	25	45.45%
	Woman	30	54.55%
Age	20-30 years	10	18.18%
	31-40 years	35	63.64%
	41-50 years	10	18.18%
Years of service	< 5 years	15	27.27%
	5-10 years	25	45.45%
	> 10 years	15	27.27%
Position	Academic Staff	20	36.36%
	Administrative staff	20	36.36%
	Finance Staff	15	27.27%

The characteristics of the research respondents indicate that the majority of educational staff at FPBS UPI are female (54.55%), with a dominant age range of 31-40 years (63.64%). In terms of length of service, most have 5-10 years of work experience (45.45%). This indicates that the research respondents are in their productive age with sufficient experience, so they are expected to provide objective answers regarding the management of performance allowances.

Validity Test

Table 2. Validity Test of Performance Allowance Management

Item	Pearson Correlation Value	T-Table	Validity Results
1	0.891	0.2656	Valid
2	0.891	0.2656	Valid
3	0.721	0.2656	Valid
4	0.699	0.2656	Valid
5	0.525	0.2656	Valid
6	0.815	0.2656	Valid
7	0.513	0.2656	Valid
8	0.950	0.2656	Valid
9	0.891	0.2656	Valid
10	0.860	0.2656	Valid
11	0.891	0.2656	Valid
12	0.891	0.2656	Valid
13	0.721	0.2656	Valid
14	0.699	0.2656	Valid
15	0.525	0.2656	Valid
16	0.815	0.2656	Valid
17	0.513	0.2656	Valid
18	0.950	0.2656	Valid

19	0.891	0.2656	Valid
20	0.525	0.2656	Valid
21	0.815	0.2656	Valid
22	0.513	0.2656	Valid
23	0.950	0.2656	Valid
24	0.699	0.2656	Valid
25	0.525	0.2656	Valid
26	0.815	0.2656	Valid
27	0.513	0.2656	Valid
28	0.950	0.2656	Valid
29	0.950	0.2656	Valid
30	0.860	0.2656	Valid

The validity test results indicate that 30 statement items in the performance allowance management variable (X) are valid. All statement items can be used to measure the performance allowance management variable in this study.

Reliability Test

Table 3. Reliability Test of Performance Allowance Management

Variables	Cronbach Alpha Value	Reliability Standards	Reliability Results
Performance Allowance Management	0.895	0.70	Reliable

The results of the reliability test show that the performance allowance management variable has a Cronbach's Alpha value of 0.895 and this value is greater than 0.70 so it can be concluded that the research instrument is reliable.

Descriptive Analysis

1. Performance Indicator Understanding Indicator

The following table shows the descriptive results for the Understanding of Performance Indicators indicator (10 items):

Table 4. Descriptive Results of Work Indicator Understanding Indicators

No	Item	Mean	Elementary School	Median	Mode	Min	Max
1	I clearly understand the performance indicators used in the assessment.	4.6	0.52	4	5	3	5
2	I know the purpose of each performance indicator set.	4.5	0.48	5	5	3	5
3	The performance indicators used are in accordance with my	4.0	0.65	4	4	2	5

	main duties and functions.						
4	I found the performance indicators set easy to understand.	3.8	0.72	4	4	2	4
5	Performance indicators help me in planning my daily work.	4.7	0.41	5	5	3	5
6	I understand how performance scores affect the benefits received.	3.9	0.68	4	4	2	4
7	Performance indicators are well explained by superiors/related parties.	4.2	0.55	4	4	3	5
8	Performance indicators are openly socialized to all employees.	4.5	0.49	5	5	3	5
9	I feel the performance indicators are objective and not confusing.	3.7	0.70	4	4	2	4
10	My understanding of performance indicators makes me more motivated in my work.	4.3	0.60	4	4	3	5

The Performance Indicator Understanding Indicator has a fairly high mean value, ranging from 3.7–4.7, indicating that the majority of employees understand performance indicators in general. The item with the highest mean is “Performance indicators help me in planning my daily work” (4.7), indicating that this indicator is most useful. The item with the lowest mean is “I feel that performance indicators are objective and not confusing” (3.7), indicating that there is still a perception that some indicators are confusing. The relatively small standard deviation indicates that respondents' answers are quite consistent.

2. Transparency Indicators of Assessment Mechanisms

The following table shows the descriptive results for the Transparency of Assessment Mechanism indicator (10 items):

Table 5. Descriptive Results of the Transparency Indicators of the Assessment Mechanism

No	Item	Mean	Elementary School	Median	Mode	Min	Max
1	The performance appraisal process is carried out openly.	4.7	0.45	5	5	3	5

2	Every employee can access performance appraisal results information.	4.6	0.50	5	5	3	5
3	The performance assessment mechanism is clearly explained before it is implemented.	4.2	0.58	4	4	3	5
4	Performance appraisal rules and procedures apply equally to all employees.	3.9	0.67	4	4	2	4
5	Performance assessments are conducted without discrimination.	4.8	0.39	5	5	3	5
6	Employees have the opportunity to provide clarification if there are differences in assessment.	4.7	0.44	5	5	3	5
7	Performance appraisal results are delivered directly to employees.	4.5	0.53	5	5	3	5
8	Objection/complaint mechanisms regarding assessments are available and implemented.	3.8	0.71	4	4	2	4
9	I believe that performance appraisals are conducted fairly.	4.9	0.36	5	5	3	5
10	Transparency in assessment increases my confidence in the performance reward system.	4.0	0.62	4	4	3	5

The Transparency of the Assessment Mechanism Indicator showed a high mean, between 3.8–4.9, with most items indicating positive employee perceptions of the openness and fairness of the assessment mechanism. The highest item was “I believe that performance assessments are conducted fairly” (4.9), while the lowest item was “An objection/complaint mechanism regarding the assessment is available and implemented” (3.8), indicating the need for attention to the objection procedure.

3. Information Technology Utilization Indicators

The following table shows the descriptive results for the Information Technology Utilization indicator (10 items):

Table 6. Descriptive Results of Information Technology Utilization Indicators

No	Item	Mean	Elementary School	Median	Mode	Min	Max
1	Information technology is used in the performance appraisal process.	4.1	0.59	4	4	2	5
2	The technology-based assessment system is easy to use.	3.8	0.64	4	4	2	4
3	My performance data is automatically recorded in the information technology system.	3.4	0.77	3	3	2	4
4	The use of information technology accelerates the performance assessment process.	3.2	0.82	3	3	1	4
5	The information technology system used is quite accurate.	3.7	0.73	4	4	2	5
6	Information technology helps minimize errors in performance appraisal.	3.6	0.69	4	4	2	4
7	I can monitor performance achievements through technology systems.	4.0	0.61	4	4	3	5
8	Technology-based systems facilitate communication regarding performance assessments.	3.1	0.85	3	3	1	4
9	The use of information technology makes the assessment process more transparent.	4.3	0.56	4	4	2	5
10	Information technology increases efficiency in managing performance benefits.	4.5	0.47	5	5	3	5

The Information Technology Utilization indicator shows a wider mean variation (3.1–4.5), indicating that employee perceptions of technology in performance appraisals are quite diverse. The highest item is “Information technology increases efficiency in managing performance allowances” (4.5), while the lowest item is “Technology-based systems facilitate communication regarding performance appraisals” (3.1), indicating a need for improvement in technology-based communication systems.

Overall, the descriptive results indicate that employees understand performance indicators well, assess the assessment mechanism as transparent and fair, and that information technology facilitates the performance allowance management process. However, there are still some areas that need improvement, such as communication through the complaint system and procedures. This pattern confirms that performance allowance management is relatively effective in terms of understanding, transparency, and technology utilization, but still requires practical improvements to increase employee satisfaction and trust.

Discussion

This study highlights the management of performance allowances, which is a crucial factor in improving employee motivation and performance. Allowance management extends beyond monetary rewards, encompassing an understanding of performance indicators, transparency of assessment mechanisms, and the use of information technology. Previous studies have shown that effective performance allowance management can improve employee motivation, job satisfaction, and overall performance (Sutrisno, 2017; Iryani, 2022).

1. Understanding Performance Indicators

The majority of employees understood the performance indicators used in the assessment, with a mean score of 3.7–4.7. The highest-ranking item was “Performance indicators help me plan my daily work” (mean = 4.7), indicating that performance indicators provide clear direction for employees in carrying out their daily tasks. The lowest-ranking item was “I feel that performance indicators are objective and not confusing” (mean = 3.7), indicating that some employees still find the indicators confusing. These findings align with Sutrisno (2017) and Iryani (2022), who emphasized that socialization and training can improve employee understanding of indicators. With a good understanding, employees tend to be more motivated and more effective in achieving their work targets.

2. Transparency of Assessment Mechanism

The transparency indicator showed a mean of 3.8–4.9, with the highest item being “I believe that performance appraisals are conducted fairly” (mean = 4.9). This indicates that employees perceive the appraisal process as being quite transparent and fair. The lowest item was “An objection/complaint mechanism regarding the appraisal is available and implemented” (mean = 3.8), indicating the need to improve access and complaint procedures. Research by Ni Wayan Ernawati et al. (2020) confirms that transparency is crucial for building employee trust in the performance compensation system.

3. Utilization of Information Technology

The utilization of information technology showed a mean variation of 3.1–4.5. The highest item was “Information technology increases efficiency in managing

performance allowances” (mean = 4.5), while the lowest item was “Technology-based systems facilitate communication regarding performance appraisals” (mean = 3.1). This indicates that information technology supports efficiency and transparency, but communication and system access still need to be improved. Anwar (2024) stated that system quality and training determine the effectiveness of technology utilization in performance appraisals.

In general, indicator understanding had the highest mean score compared to information technology utilization, while mechanism transparency fell in the middle. This indicates that employees find it easier to understand performance indicators than to utilize technological systems. This analysis aligns with modern HR management theory, which states that employee performance is influenced by a combination of understanding, trust, and ease of system access (Dessler, 2020).

According to Armstrong & Taylor (2020), effective performance allowance management must include indicator clarification, process transparency, and technological system support. Managing performance allowances through understanding indicators, transparency, and utilizing technology positively contributes to employee performance. However, other factors such as intrinsic motivation, job satisfaction, and leadership style also influence the final outcome (Iryani, 2022).

CONCLUSION AND SUGGESTIONS

The results of the study indicate that the management of performance allowances in this agency is relatively good. Employees understand the performance indicators, assess the assessment mechanism as transparent and fair, and perceive the efficiency of information technology utilization. Although several aspects, such as system communication and complaint procedures, still need improvement. It is recommended that the agency increase the socialization and training of performance indicators, improve the information technology system, and clarify the complaint mechanism to make the performance allowance policy more effective in improving employee motivation, performance, and the quality of public services.

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