



The Influence of the Effectiveness of Performance Benefits on Employee Performance with Employee Welfare as a Mediation Variable (Case Study at the East Java Provincial Inspectorate)

Lasmaria Silitonga^a, Sundjoto^b, Sri Rahayu^{c}*

^{a,b,c} Sekolah Tinggi Ilmu Ekonomi Mahardhika, Surabaya Indonesia

DOI: <https://doi.org/10.55248/gengpi.5.0124.0358>

ABSTRACT

Performance allowance is a form of appreciation given by agencies to employees who have good performance and achievement. Effective performance allowance provision can have a good impact, not only on employees, but also on agencies. For employees is the increase in employee welfare and encourage increased motivation to work. Productivity must also be in line with the effectiveness of performance allowances, because both need to go hand in hand. The effectiveness of performance allowances is very influential on employee welfare, because it concerns the needs of the employee's life. Therefore, this study focuses on examining the effect of the effectiveness of performance allowances on employee performance with welfare as a mediating variable. The population in this study were all employees of the Inspectorate of East Java Province, totaling 112 people. Data testing was carried out using Hayes regression analysis techniques as a hypothesis tester. The results obtained are that the provision of performance allowances does not significantly affect performance, but affects employee welfare and welfare can mediate and affect employee performance.

Keywords: Performance allowance, performance, welfare

1. Introduction

Human resources have an important role in an organization because whether or not an organization runs is influenced by the performance of these human resources. For an employee, the results achieved are the actualization of self-potential and an opportunity to improve the quality of life, while for an organization success at work is something that is important to support the growth and progress of the organization in a better direction. (Rusman, 2015). Therefore, there is a need for optimal productivity from human resources by showing good performance. Performance is a work process in terms of quality and quantity carried out by someone in carrying out their duties or work, namely in accordance with the responsibilities that have been given to that individual. According to Wibowo (2019), performance is about what individuals do and how individuals carry out their work. Performance focuses on the display process of a person's work regarding how the individual carries out work to achieve the desired goals (Wibowo, 2019). Performance can also be interpreted as the result of individual work in terms of quality and quantity achieved by someone in carrying out their duties and work, namely in accordance with the responsibilities that have been given to the individual with certain standards that have been determined. (Hidayah & Haryani, 2018). Productivity and performance are almost the same things but have differences, this is because productivity is viewed through a comparison between work results (output) and the resources used (input), while performance is a comparison between work results (output) and the period (time). For this reason, it can be seen that productivity and performance are things that go hand in hand when reviewing the results of employee work in an organization.

Efforts made to improve the quality of employee work are by providing performance allowances to employees of the East Java Province Inspectorate. In accordance with East Java Governor Regulation No. 12 of 2022 explains that there is additional income given to civil servants who have work performance with various requirements that have been regulated in East Java Governor Regulation No. 12 of 2022. The aim of providing performance allowances is to improve employee performance, increase discipline and improve employee welfare in order to provide excellent service to the community. Providing effective performance allowances can have a good impact on employees and the organization. For employees, this means increasing employee welfare and helping to increase motivation to work. Then for the organization it has an impact by increasing the productivity and performance of each human resource in achieving organizational goals.

Research conducted by (Mogalana et al., 2020) shows that the level of effectiveness of providing performance allowances will increase the productivity of employees who receive these performance allowances. Performance allowances are given as a form of appreciation for employees who have good work performance, obey the rules and are able to complete their tasks with good performance. According to Halim & Satria (2022) His research shows that effectively providing performance allowances encourages employees to improve their performance in providing services to the community, so that employee productivity can increase. In line with this opinion, in research conducted by Delsiana (2022) shows that providing effective performance allowances can increase employee productivity and performance, but can also be a measuring tool for reviewing violations committed by employees,

because to provide performance allowances there are disciplinary requirements that apply, such as absenteeism every time they come to and leave work, roll call attendance, employee performance quality assessment and so on (Andisi & Uhing, 2018).

Talking about the effectiveness of performance allowances which can have an influence on productivity, this will be in line with the effectiveness of performance allowances which will have an influence on employee performance. This is because productivity and performance are mutually exclusive. Research conducted by (Iryani et al., 2022) shows that there is a significant positive influence between the effectiveness of performance benefits and employee performance. Then research conducted by (Setianingsih & Matinni, 2021) also shows that performance allowances are seen as a form of appreciation for employees in carrying out their work, especially for employees who have excelled. Implementing the effectiveness of good performance benefits in an organization will help the organization to provide rewards to employees, according to (Latuconsina et al., 2019) explains that if the performance provided gets better, the amount of performance allowance will also increase. This is because the effectiveness of performance allowances is based on six dimensions, namely quality, productivity, efficiency, satisfaction, ability and development (Sobri & Ratminto, 2019).

The effectiveness of performance benefits can help increase professionalism while working as an employee in an organization and improve the employee's welfare (Aulia et al., 2021). Welfare can be achieved if the needs of employees are met, these needs include basic human needs such as physical needs such as clothing, food, shelter, health facilities and education. Then the need for security and comfort, the need for affection, the need for esteem and the need for self-actualization (Maslow, 2019). The effectiveness of performance benefits helps to ensure the welfare of each employee by meeting their needs, especially in the economic sector. The welfare of employees can encourage employee enthusiasm to provide optimal employee performance and productivity for the East Java Provincial Inspectorate in achieving organizational goals. High productivity of employees can be influenced by employee welfare. (Hasibuan, 2019) explained that high productivity of employees is obtained from a feeling of gratitude due to the fulfillment of their needs, which indicates that they are in a prosperous condition. Additionally, according to (Harliawan et al., 2017) also explained that the welfare conditions of employees are a motivation for employees to increase their productivity while working as a return for the welfare that has been guaranteed by the organization. Research conducted by (Rahardjo et al., 2021) which shows that employee welfare which has been guaranteed by the organization can encourage employees to provide good performance in carrying out their work. For this reason, the need to improve welfare for employees is an obligation for the organization, this can be done by developing welfare program policies for employees and also increasing the effectiveness of providing performance allowances which can be done to increase productivity and performance. (Pratama & Giovanni, 2021). In line with the explanation put forward by (Maula et al., 2020) that employee welfare obtained from the implementation of organizational justice, organizational culture and the effectiveness of performance allowances as appreciation for employees can improve the performance of every employee who is part of the organization. Based on the explanation above, conclusions can be drawn regarding the hypothesis as follows:

Hypothesis 1: There is an influence of the effectiveness of performance benefits on employee performance

Hypothesis 2: There is an influence of the effectiveness of performance benefits on employee welfare

Hypothesis 3: There is an influence of employee welfare on employee performance

Hypothesis 4: Employee welfare can mediate the effect of the effectiveness of performance benefits on employee performance

2. Introduction

2.1 Performance Allowance

Performance allowances are results other than salary given to active employees in accordance with job performance and competency. According to (Basyrie, Ahiruddin, & Junaidi, 2022) Benefits are associated with providing welfare by superiors to employees so as to create a work environment that makes employees feel comfortable and receive attention from superiors. Performance allowances are also one of the external factors that influence efforts to increase employee performance in the workplace. Allowances tend to make people more active in trying if remuneration is received in accordance with the wishes requested, or in other words performance allowance is an award in the form of additional income given to employees for all performance with the aim of increasing employee morale and work motivation. (Najoan, Pangemanan, & Tangkere, 2018).

According to (Radjab, Hari, & Maryadi, 2019) performance allowances have a close relationship with employee performance, so the measurement of performance allowances is adjusted to performance indicators. The components that determine the value of performance allowances are: level of employee performance achievement, level of attendance according to working hours and days, and compliance with the employee's code of ethics and discipline. . Minister of Home Affairs Regulation Number 41 of 2014 article 4 paragraph 3 states that performance allowances are given based on work discipline, performance achievements and position class.

In (Hamidun, Tampi, & Kiayi, 2021) Providing appropriate allowances provides work that matches the employee's abilities, enabling employee work performance to be improved. Every organization must design and provide an appropriate performance allowance system so that employees can maintain and increase work productivity in the field. One form of performance allowance is not only material, but can also be in terms of promotion. If the employee is able to work according to the assigned job duties and achieve the assigned tasks. Providing allowances for employees who are assessed as an effort to increase performance levels. (Basyrie, Ahiruddin, & Junaidi, 2022).

Based on RI Presidential Decree No. 130 of 2017 concerning Employee Performance Allowances at the Ministry of Law and Human Rights, it contains an allowance that employees at the Ministry of Law and Human Rights will receive according to their respective grades. The purpose of this regulation

is that performance allowances are given in full to employees who have completed their duties on time and in accordance with existing regulations, and cuts to performance allowances are caused by several specific factors, namely: arriving late during office hours, leaving before office hours, forgetting to fill out absenteeism, not being present at the office without explanation, subject to disciplinary punishment, leave, and dismissed from functional position. (Saputra & Rahayu, 2023)

2.2 Job Performance

Performance is an achievement of the work carried out by employees on the work given. Referring to the word "performance" in English, it can be interpreted as performance, work results or achievements. According to (Mangkunegara, 2018) Performance is the result of work in terms of quality and quantity achieved by employees in carrying out the responsibilities of the work and tasks given to employees. Performance can also be measured from the employee's ability to solve and complete the tasks given, which means that performance contains elements of standards that must be achieved by employees, so that those who have achieved the set standards means that the employee has good performance or vice versa for those who have not. achieved can be categorized as having poor performance. Bernadine in (Akbar, 2018) states that the success or failure of a performance achieved by an organization is influenced by the level of performance of employees, both individually and as a group, with the assumption that the better the employee's performance, the better the organization's performance expectations will also be. There are six criteria for measuring the extent of individual employee performance, namely:

1. Work quality

Work quality can be measured from the employee's perspective regarding the quality of work produced as well as the employee's skills and abilities in achieving the assigned tasks.

2. Quantity

Quantity of performance can be measured from the employee's perspective regarding the number of activities assigned to him and the results.

3. Punctuality

Timeliness can be measured from the employee's perspective regarding an activity that is completed at the beginning until the end of time until it becomes an output.

4. Effectiveness of the level of use of organizational resources

The effectiveness of the level of resource use is maximized with the aim of increasing the results of each employee unit in the use of resources. Utilization of time in carrying out tasks, and effectiveness of completing tasks assigned to the organization.

5. Independence

Independence is the level of a person's ability to carry out their work duties without asking for help and guidance from other people or supervisors.

6. Work commitment

Work commitment is the level at which employees have a work commitment to the agency and work responsibilities towards the organization.

According to Davis in (Mangkunegara, 2018) There are several formulations of factors that influence performance, namely ability factors and motivation factors. 1) Ability Factor (ability), Employee abilities or abilities consist of potential IQ and reality abilities (knowledge + skills), which means that employees who have an IQ above average and with adequate education for their position and are skilled at carrying out daily tasks and obligations have the performance that can be expected. Therefore, employees need to be placed in positions and tasks that suit their skills. 2) Motivation Factors (Motivation), Motivation is an attitude that is formed by an employee in facing the environment and situations at work. An encouragement that arises from outside or within a person to become a driving factor towards the goal you want to achieve is also a motivation (Lufina, 2022). According to Timple quoted by (Mangkunegara, 2018) Performance factors consist of internal factors and external factors. Internal factors can be related to a person's nature or behavior, while external factors can be seen from the influencing environment, for example colleagues, subordinates or leaders, work facilities, and organizational situations. From the description above, it can be concluded that factors that influence performance can come from within an individual or from outside the individual himself. The organizational policy is expected to be able to harmonize these factors

2.3 Employee Welfare

Well-being refers to a good and adequate state in a person's physical, emotional, social and mental aspects. This includes feelings of happiness, good health, satisfying relationships, a materially adequate life, and a sense of accomplishment and meaning in life. Welfare is an important driving factor in creating good employee performance for the company. Welfare can take the form of compensation that the company provides to its employees in material or non-material form. (Nasution, 2020). The welfare provided is very useful for meeting the physical and mental needs of employees and their families. Efforts that can be made to maintain and improve employee conditions so that employee morale increases, one of which is through welfare programs that are prepared based on existing regulations, based on justice and appropriateness and guided by the company's capabilities. There are several indicators of employee welfare, namely as follows: a. allowances that replace income, such as position allowances, income improvement allowances, b. Benefits

that provide a sense of security, such as health insurance and official travel allowances, c. Benefits that can be seen as opportunities for employees, such as training programs, credit provision, office vehicle inventory facilities and child allowances.

According to Indra Nasutio in (Keintjem, Tumbel, & Djemly, 2022) Welfare is a driving factor that plays an important role so that employee performance is of benefit to the company. Welfare is also a form of compensation given by the company to employees in material or non-material form, according to Hasibuan in (Sriwidodo & Haryanto, 2012) Employee welfare is complementary compensation or remuneration provided based on company policy which aims to maintain and improve the physical and mental condition of employees so that their work productivity increases. Welfare also takes the form of indirect compensation or benefits such as company programs, old age insurance, sports facilities, commemorating holidays, and so on. There are several forms of welfare, according to (Siagian, 2019) Forms of welfare can be grouped into four parts, namely:

a) Payment for time not worked (time off benefit)

Payment for non-working time is a period of time during which an employee does not work but is still paid, such as paid rest time, paid lunch time, sick leave, leave for personal reasons, and new reasons that will be sought in order to remain paid during not actively working. Leave and holidays are usually the most expensive type of salary payment when not working, due to the tendency to extend annual leave.

b) Economic protection against danger

Generally, there are certain dangers experienced by each person, for example the inability to work permanently, old age and death. Employees must still receive income if they are faced with such situations, so most companies voluntarily design programs to help employees if they are faced with dangerous situations. Programs that can be provided include salary, life insurance, health insurance, health services and medical services.

c) Employee service

Employees must be provided with certain services on an ongoing basis, for example housing, food, advice, recreational facilities, and so on. Companies tend to provide ordinary and routine services that become real with benefit programs, such as legal services paid for by the company, career counseling, school fees, housing assistance, health services, low-interest loans, personal use of company vehicles, and membership in professional organizations paid for by the company.

d) Payment required by law

The payment in question is a compensation payment that is legally required in accordance with applicable law. The government has an interest in the minimum level of workplace conditions and situations in terms of protection against dangers that threaten people's lives. Employee assistance programs regulated by law include unemployment compensation, workers' compensation insurance, old age insurance and providing compensation for employees who are no longer able to work due to accidents at work.

Providing welfare can be given in accordance with planned targets, so there needs to be principles in providing employee welfare. Welfare principles are guidelines or guidelines that can help individuals or communities achieve a higher level of welfare. According to (Siagian, 2019) The principles of welfare are as follows: 1) Can satisfy employees' real needs. 2) Limited to activities that are more effective in groups than individually. 3) Use the broadest possible basis. 4) The costs of welfare programs should be calculated, and the provisions clearly defined as the basis for spending. Welfare indicators are tools or measures used to objectively measure the level of welfare of individuals, groups or communities. These indicators help in analyzing and understanding welfare conditions and progress in achieving desired welfare goals. According to Hasibuan in (Keintjem, Tumbel, & Djemly, 2022) Broadly speaking, welfare indicators have compensation consisting of two types, namely:

- 1) Direct compensation or welfare, direct compensation is an award in the form of salary or wages that is paid regularly with a fixed period of time. This incentive is given to motivate employees to have high work productivity, at any time.
- 2) Indirect compensation or welfare, indirect compensation is the provision of a share of profits or other benefits to workers outside of salary or wages and bonuses which can be in the form of goods and allowances. The benefits received can be as follows:
 - a. Holiday allowance (THR), which is given to employees in the form of money ahead of religious holidays.
 - b. Pension funds, or funds given to employees in the form of money as a form of gratitude from the company for participating in the success of the organization.
 - c. Death condolences money, a form of organizational concern for employees who are experiencing grief or death.
 - d. Official clothing, namely the uniform used by employees in their daily work.
 - e. Health insurance is life safety or a guarantee for employees in carrying out their work

3. Research Methods

3.1 Types of research

This research uses a quantitative approach with a cross-sectional category, namely information from part of the population (sample respondents) is collected directly from the location empirically with the aim of finding out the opinions of part of the population regarding the object under study.

3.2 Research Sample

The population in this study was all 112 employees of the Inspectorate of East Java Province (Central Statistics Agency, 2023). Meanwhile, the minimum sample size required in this study can be calculated using the Slovin formula and was obtained as many as 53 people.

3.3 Data collection technique

The data collection method used in this research is by using a questionnaire. The questionnaire given is a sheet of questions that measures the variables of providing performance allowances, employee welfare and performance. Data collection was carried out using Google Form to make it easier for researchers to obtain respondent data remotely.

4. Results and Discussion

4.1 Respondent Characteristics

The characteristics of respondents in this study can be determined based on gender, age and level of education. These characteristics can be analyzed descriptively to determine the number and percentage of each group.

1. Gender

The number of respondents based on gender can be analyzed descriptively with the following results.

Table 1. Respondent's Gender

Gender	Number (n)	Percentage (%)
Man	20	37.7%
Woman	33	62.3%
Total	53	100.0%

Based on Table 1, it is known that there were 20 male respondents (37.7%) and 33 female respondents (62.3%). This shows that more than half of the respondents are women.

2. Age

Respondents' ages were divided into 4 groups, namely 20 to 30 years old, 31 to 40 years old, 41 to 50 years old, and over 50 years old. The number of respondents based on these age groups can be presented in Table 2 as follows.

Table 2. Respondent's Age

Age	Number (n)	Percentage (%)
20 - 30 Years	15	28.3%
31 - 40 Years	7	13.2%
41 - 50 Years	19	35.8%
> 50 Years	12	22.6%
Total	53	100.0%

Respondents aged 20 to 30 years were 15 people (28.3%), aged 31 to 40 years were 7 people (13.2%), aged 41 to 50 years were 19 people (35.8%), aged over 50 years as many as 12 people (22.6%). This shows that most respondents were aged 41 to 50 years.

3. Education

There are two levels of education of respondents, namely bachelor's and master's degrees. The characteristics regarding the respondent's last education can be explained in Table 3 below.

Table 3. Respondent's Education

Education	Number (n)	Percentage (%)
Bachelor	36	67.9%
Masters	17	32.1%
Total	53	100.0%

Based on Table 5.4, it shows that there were 36 respondents with a bachelor's degree (67.9%), and master's education as many as 17 people (32.1%). This shows that more than half of the respondents have a bachelor's degree.

4. Length of work

Respondents who are employees of the East Java Provincial Inspectorate can know their characteristics based on length of work which is divided into 4 groups, namely 1 - 5 years, 6 - 10 years, 10 - 20 years, and more than 20 years.

Table 4. Length of work

Length of work	Number (n)	Percentage (%)
15 years	26	49.1%
6 – 10 Years	9	17.0%
11 – 20 Years	14	26.4%
> 20 Years	4	7.5%
Total	53	100.0%

Respondents who worked 1 to 5 years were 26 people (49.1%), 6 to 10 years were 9 people (17.0%), 11 to 20 years were 14 people (26.4%), and more than 20 years as many as 4 people (22.6%). This shows that most respondents have a working period of 1 to 5 years.

4.2 Descriptive Analysis of Research Variables

The results of the descriptive analysis regarding the effectiveness variable of performance allowances can be presented in Table 5 as follows.

Table 5. Description of Performance Allowance Effectiveness Variable

No	Question	Mean	Standard Deviation	Information
1	The performance allowance that I receive is in accordance with the regulations set by the regional government	3,698	0.463	Very good
2	The performance allowance received can help increase my income as an employee	3,774	0.423	Very good
3	Performance allowances are routinely received by employees every month	3,547	0.503	Very good
4	The performance allowance currently received can meet life's needs (family needs, children's education, health, etc.)	3,472	0.608	Good
5	The performance allowance received is commensurate with employee discipline	3,509	0.697	Very good
Effectiveness of Performance Allowances		3,600	0.437	Very good

The overall effectiveness of performance benefits has an average of 3.600 with a standard deviation of 0.437. This shows that in general the performance allowances given to East Java Province Inspectorate employees have very good effectiveness. The employee welfare variable is measured using five questions which can be analyzed descriptively with the following results.

Table 6. Description of Employee Welfare Variables

No	Question	Mean	Standard Deviation	Information
1	I feel comfortable with my current job conditions	3,434	0.605	Good
2	The insurance coverage provided is good	3,057	0.770	Good
3	The reward I receive is commensurate with the work done	4,000	0.791	Very good
4	My current job provides an opportunity to use the skills I have	3,472	0.504	Good
5	Working conditions in the form of facilities (bathrooms, rest areas, places of worship, etc.) and the environment in this company are very supportive and adequate	3,472	0.504	Good
Employee welfare		3,506	0.458	Very good

The overall welfare of respondent employees has an average of 3.506 which is included in the very good category. This shows that respondents who work at the East Java Province Inspectorate have very good welfare. Employee performance variables are measured using eight questions which can be analyzed descriptively with the following results.

Table 7.Description of Employee Performance Variables

No	Question	Mean	Standard Deviation	Information
1	I carry out work in accordance with existing Standard Operating Procedures (SOP).	3,415	0.602	Good
2	The results of my work so far have been in accordance with the goals expected by the organization	3,472	0.608	Good
3	I know the target results I want to achieve	3,434	0.500	Good
4	I understand how to achieve the desired results	3,472	0.575	Good
5	I complete work on time	3,434	0.500	Good
6	I can still complete my work even though I am interrupted by vacation time and holidays	3,283	0.632	Good
7	I have the awareness to work together to achieve organizational goals	3,472	0.504	Good
8	I create maximum work results by working together to develop ideas and insights	3,491	0.505	Good
Employee Performance		3,434	0.489	Good

The overall performance of respondents has an average of 3.434 which is included in the good category. This shows that respondents who work at the East Java Province Inspectorate have very good performance.

4.3 Classic assumption test

Before carrying out regression analysis, it is necessary to test classical assumptions, namely the normality test, multicollinearity test, heteroscedasticity test and linearity test.

1. Normality test

The normality test in this study used the One-Sample Kolmogorov-Smirnov Test statistical test. The basis for making decisions in this research is if the asymp.sig value. (2-tailed) above the level of significance of 5% (0.05), it can be concluded that the variable is normally distributed.

Table 8.Normality test

	Kolmogorov Smirnov	p
Unstandardized Residuals	0.194	0.200

Source: Research Data (2024)

Based on Table 8. above, the results of the One Sample Kolmogorov-Smirnov (KS) Normality Test show that the Kolmogorov-Smirnov statistical test value is 0.194 and the sig value is 0.194 > 0.05, so it can be concluded that the data in this study is normally distributed.

2. Multicollinearity Test

The multicollinearity test is used to determine whether there is a relationship or correlation between the independent variables. Multicollinearity states the relationship between independent variables. A good regression model should have no correlation between independent variables. Regression is free from multicollinearity if the VIF value is <10 and the tolerance value is > 0.10.

Table 9.Multicollinearity Test

Variable	Tolerance	VIF	Information
Performance Allowance	0.311	3,211	No Multicollinearity
Employee Welfare	0.311	3,211	No Multicollinearity

Source: Research Data (2024)

It can be seen that the regression model in this study does not have multicollinearity in the independent variables because all VIF values are < 10 and tolerance is > 0.10.

3. Heteroscedasticity Test

The heteroscedasticity test aims to determine whether or not there are deviations from the classic assumption of heteroscedasticity, namely the unequal variance of the residuals for all observations in the regression model. In this research, the heteroscedasticity test uses a scatterplot graph.

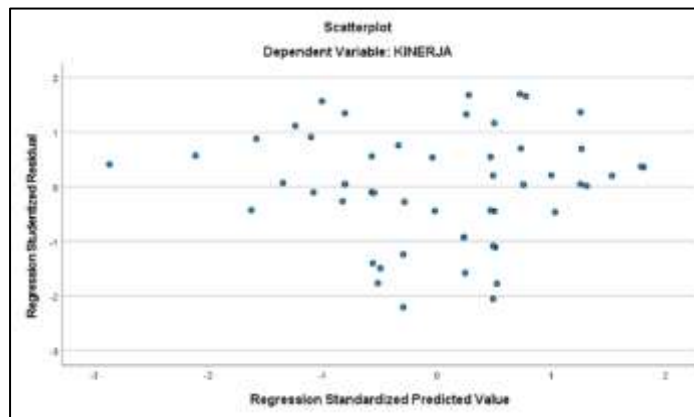


Figure 1. Scatterplots

In Figure 1 above, it can be seen that there is no clear pattern and the points are spread above and below the number 0 (zero) on the Y axis, thus indicating that the model in this study does not have heteroscedasticity.

4. Autocorrelation Test

Autocorrelation in a regression model means that there is a correlation between sample members who are ordered based on the time they are correlated with each other. To determine the presence of autocorrelation in a regression model, this is done by testing the Durbin Watson test value (DW Test). A model is said to be free of autocorrelation if the dcount (Durbin Watson) is between -2 and 2. Based on the results of the Durbin Watson test, the dcount value is 1.893. Based on the theory mentioned previously, if the calculated value (Durbin Watson) is between -2 and 2 or $-2 < 1.893 < 2$. Then it can be concluded that no autocorrelation was found in the regression model.

4.4 Hayes Regression Analysis

In this research, Hayes regression is used to test the hypothesis whether providing performance benefits has an effect on employee performance which is mediated by employee welfare.

Table 10. Hayes Regression Results

Hypothesis	Variable	β	ρ
H1	Performance Benefits → Employee Performance	0.144	0.409
H2	Performance Benefits → Employee Welfare	0.871	0,000*
H3	Employee Welfare → Employee Performance	0.955	0,000*
H4	Performance Benefits → Welfare → Employee Performance	0.832	0.034*

Description: *Significant ($p < 0.05$)

1. The Effect of Performance Allowances on Employee Performance

Based on the results of the analysis, it can be seen that the first hypothesis regarding the effect of giving performance allowances directly on employee performance cannot be accepted. This is indicated by a significance value of 0.409 ($p > 0.05$). The regression coefficient value obtained on the effect of giving performance allowances directly on employee performance is 0.409. This shows that performance allowances can improve employee performance, but not significantly. The results of this study are not in line with research conducted by (Iryani et al., 2022) shows that there is a significant positive influence between the effectiveness of performance benefits and employee performance. Then research conducted by (Setianingsih & Matinni, 2021) also shows that performance allowances are seen as a form of appreciation for employees in carrying out their work, especially for employees who have excelled. Implementing the effectiveness of good performance benefits in an organization will help the organization to provide rewards to employees, according to Latuconsina et al. (2019) explains that if the performance provided gets better, the amount of performance allowance will also increase. This is because the effectiveness of performance allowances is based on six dimensions, namely quality, productivity, efficiency, satisfaction, ability and development (Sobri & Ratminto, 2019).

2. The Effect of Performance Allowances on Employee Welfare

Based on the results of the analysis, it can be seen that the second hypothesis regarding the influence of giving performance allowances directly on employee welfare can be accepted. This is indicated by a significance value of 0.000 ($p < 0.05$). The regression coefficient value obtained on the influence of providing performance allowances directly on employee welfare is 0.871. This shows that providing performance allowances can significantly improve employee welfare. The effectiveness of performance benefits can help increase professionalism while working as an employee in an organization and improve the employee's welfare (Aulia et al., 2021). Welfare can be achieved if the needs of employees are met, these needs include basic human needs such as physical needs such as clothing, food, shelter, health facilities and education. Then the need for security and comfort, the need for affection, the need for esteem and the need for self-actualization (Maslow, 2019). The effectiveness of performance benefits helps to ensure the welfare of each employee by meeting their needs, especially in the economic sector.

3. The Effect of Employee Welfare on Performance

Based on the results of the analysis, it can be seen that the third hypothesis regarding the direct influence of employee welfare on employee performance can be accepted. This is indicated by a significance value of 0.000 ($p < 0.05$). The regression coefficient value obtained on employee welfare directly on performance is 0.955. This shows that employee welfare can significantly improve employee performance. Research conducted by (Rahardjo et al., 2021) which shows that employee welfare which has been guaranteed by the organization can encourage employees to provide good performance in carrying out their work. For this reason, the need to improve welfare for employees is an obligation for the organization, this can be done by developing welfare program policies for employees and also increasing the effectiveness of providing performance allowances which can be done to increase productivity and performance. (Pratama & Giovanni, 2021). In line with the explanation put forward by (Maula et al., 2020) that employee welfare obtained from the implementation of organizational justice, organizational culture and the effectiveness of performance allowances as appreciation for employees can improve the performance of every employee who is part of the organization.

4. The Effect of Providing Performance Allowances on Employee Performance through Employee Welfare as a Mediating Variable

Based on the results of the analysis, it can be seen that the fourth hypothesis regarding the influence of providing performance allowances indirectly on employee performance through employee welfare is acceptable. This is indicated by a significance value of 0.034 ($p < 0.05$). The regression coefficient value obtained on the influence of providing performance allowances indirectly on employee performance through employee welfare is 0.832. This shows that employee welfare can mediate the effect of providing performance allowances on employee performance

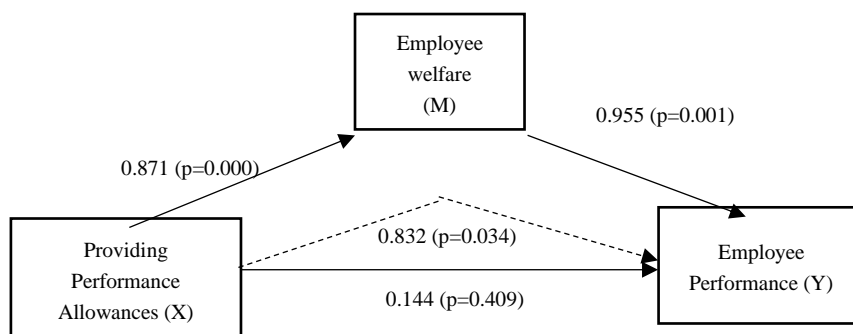


Figure 2. Model of the influence of providing performance allowances on employee performance which is mediated by employee welfare

5. Conclusion

Based on the research above, it can be concluded that 1) providing performance allowances does not significantly affect employee performance, 2) providing performance allowances significantly influences employee welfare. 3) employee welfare affects employee performance. 4) employee welfare can significantly mediate the provision of performance benefits on employee performance, resulting in total mediation. The results of this research provide advice to future researchers, namely to consider other variables that influence employee performance.

References

- Andisi, C., & Uhing, C. (2018). PENGARUH TUNJANGAN KINERJA DAERAH, KOMPENSASI DAN JAMINAN SOSIAL TERHADAP PRODUKTIVITAS KERJA PEGAWAI PADA DINAS ENERGI DAN SUMBER DAYA MINERAL DAERAH PROVINSI SULAWESI UTARA. *EMBA*, 2748–2757.
- Aulia, T., Affandi, B. W., Soemantri, A. I., & Sekar, K. (2021). PENGARUH PEMBERIAN TUNJUKIN TERHADAP KESEJAHTERAAN PERSONEL GUNA MENINGKATKAN PROFESIONALISME DI AKADEMI ANGKATAN LAUT. *Garuda*, 1(2).
- Delsiana, D. (2022). EFEKTIVITAS PEMBERIAN TAMBAHAN PENGHASILAN PEGAWAI DALAM MENINGKATKAN KINERJA PEGAWAI NEGERI SIPIL DI DINAS PARIWISATA, PEMUDA DAN OLAHRAGA KOTA SINGKAWANG PROVINSI KALIMANTAN BARAT. *IPDN*, 1(2), 4–16.
- Halim, A., & Satria. (2022). Pengaruh Promosi Jabatan dan Tunjangan Kinerja Terhadap Produktivitas Kerja Pejabat Pengawas Pada Sekretariat Daerah Kabupaten Mamuju. *Forecasting: Jurnal Ilmiah Ilmu Manajemen*, 1(2), 2656–2665.
- Harliawan, H., Yasa, I. G. W. M., & Dewi, M. H. U. (2017). PENGARUH KOMPENSASI, PENDIDIKAN DAN PROGRAM KESEJAHTERAAN TERHADAP PRODUKTIVITAS KERJA WARTAWAN DI PROVINSI BALI. *E-Jurnal Ekonomi Dan Bisnis Universitas Udayana*, 6(7), 1–34.
- Hasibuan, N. Y. (2019). PENGARUH HARGA SAWIT DAN PRODUKTIVITAS TERHADAP KESEJAHTERAAN PETANI KELAPA SAWIT DI DESA SIAMPORIK KECAMATAN KUALUH SELATAN KABUPATEN LABUHANBATU UTARA. *Tesis*.
- Hidayah, S., & Haryani. (2018). PENGARUH KEADILAN DISTRIBUTIF DAN KEADILAN PROSEDURAL TERHADAP KINERJA KARYAWAN BMT HUDATAMA SEMARANG. *Jurnal Ekonomi Manajemen Akuntansi*, 20(35), 67–89.

- Iryani, Yulianto, H., & Nurpadilah, L. (2022). Pengaruh Tunjangan Kinerja terhadap Kinerja Pegawai melalui Kepuasan Kinerja Sebagai Variabel Mediasi. *Pengaruh Tunjangan Kinerja Terhadap Kinerja Pegawai Melalui Kepuasan Kinerja Sebagai Variabel Mediasi*, 5(1), 343–355.
- Latuconsina, E. S., Wasistiono, S., & Pitono, A. (2019). EFEKTIVITAS PEMBERIAN TUNJANGAN KINERJA DAERAH (TKD) GUNA MENINGKATKAN KINERJA APARATUR SIPIL NEGARA DI BADAN KEPEGAWAIAN DAERAH PROVINSI MALUKU. *Visione*, 11(2), 195–203.
- Maslow, A. H. (2019). *Motivation and Personality*. Rajawali.
- Maula, L. H., Jamil, A. S., & Zuana, M. M. M. (2020). PENGARUH BUDAYA ORGANISASI ISLAMI DAN KESEJAHTERAAN KARYAWAN TERHADAP KINERJA KARYAWAN PADA PT. BANK SYARIAH MANDIRI KANTOR CABANG SIDOARJO. *Jurnal Al-Tsiqoh (Dakwah Dan Ekonomi)*, 5(1), 80–91.
- Mogalana, B. D., Purwanti, D., & Yana, F. F. (2020). Efektivitas Pemberian Tunjangan Kinerja (TUKIN) Terhadap Produktivitas Kerja Pegawai Dinas Pendidikan dan Kebudayaan Kota Sukabum. *Business Manajemen and Enterpreneurship Journal*, 2(3).
- Pratama, A. D., & Giovanni, A. (2021). PENGARUH KOMPETENSI DAN KESEJAHTERAAN TERHADAP KINERJA KARYAWAN APOTEK DI KOTA MAGELANG. *IE: Jurnal Inspirasi Ekonomi*, 3(4), 21–27.
- Rahardjo, P., Gunawan, C., & Isriyani. (2021). PENGARUH GAYA KEPEMIMPINAN DAN KESEJAHTERAAN TERHADAP KINERJA KARYAWAN (STUDI KASUS PADA HOTEL SELABINTANA). *CAKRAWALA- Repositori IMWI*, 4(1), 66–77.
- Rusman. (2015). *Pembelajaran Tematik Terpadu Teori, Praktik dan Penilaian* (1st ed.). Rajawali Press.
- Setianingsih, A., & Matinni, N. (2021). Pengaruh Tunjangan Kinerja dan Disiplin Kerja Terhadap Kinerja Pegawai Direktorat Kepolisian Perairan dan Udara Polda Sumatera Selatan. *JURNAL TANAH PILIH*, 1(1), 30–46.
- Sobri, I., & Ratminto. (2019). PENGARUH PERSEPSI MENGENAI PEMBERIAN TUNJANGAN KINERJA TERHADAP KINERJA PEGAWAI DENGAN MOTIVASI INTERNAL SEBAGAI PEMEDIASI (STUDI DI SEKOLAH TINGGI PARIWISATA BANDUNG). *Tesis*, 1, 56–57.
- Wibowo. (2019). *Manajemen Kinerja* (15th ed.). Rajawali Press.