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The Effect of Additional Employee Income Compensation on the Performance of State Civil Servant Employees at the Regional Secretariat of Gowa Regency

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Abstract

The urgency of this study lies in evaluating how additional employee income compensation contributes to improving the performance of State Civil Servants and in providing insights for developing more effective compensation policies within the Regional Secretariat of Gowa Regency. This study aims to examine the effect of Additional Employee Income (Tambahan Penghasilan Pegawai/TPP) as a form of compensation on the performance of State Civil Apparatus (ASN) at the Regional Secretariat of Gowa Regency. The research adopts a quantitative approach using a causal associative design to identify the relationship between compensation and employee performance. Data were collected through structured questionnaires distributed to all 75 ASN employees using a saturated sampling technique. The collected data were analyzed using simple linear regression, supported by validity, reliability, and classical assumption tests to ensure the robustness of the model. The results indicate that compensation has a positive and statistically significant effect on employee performance, as evidenced by a t-value of 8.667 and a significance level of 0.000. Furthermore, the coefficient of determination (R^2) shows that 50.7% of the variation in employee performance can be explained by compensation, while the remaining 49.3% is influenced by other factors. These findings highlight the critical role of financial incentives in enhancing employee productivity, responsibility, and work quality in the public sector. The study contributes to the literature on human resource management by providing empirical evidence from a regional government context, emphasizing that the effectiveness of compensation depends not only on its financial value but also on fairness, transparency, and consistency in implementation.

Keywords: *Compensation, Employee Performance, Public Sector, TPP, Human Resource Management*

Introduction

The quality of public sector performance is highly dependent on the effectiveness of human resource management within government institutions (Mergel et al., 2021). In contemporary public administration, human resources are recognized as strategic assets that determine the success of organizational objectives, policy implementation, and public service delivery (Demircioglu & Chen, 2021). Government institutions are expected to provide efficient, transparent, and accountable services to society, and these expectations can only be fulfilled when employees demonstrate high levels of performance (Khan et al., 2022). Consequently, improving employee performance has become one of the primary concerns in public sector reform initiatives across many countries, including Indonesia (Hassan et al., 2022).

In Indonesia, the State Civil Apparatus (Aparatur Sipil Negara/ASN) serves as the backbone of governmental administration and public service delivery (Prasojo & Rudita, 2021). ASN are

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entrusted with various responsibilities ranging from policy implementation and administrative management to the provision of public services that directly affect citizens' welfare (Saputra et al., 2023). The success of government programs and bureaucratic reforms is therefore closely related to the quality of ASN performance (Sofyani et al., 2021). However, despite continuous efforts to improve bureaucratic professionalism, various challenges remain, including issues related to employee motivation, discipline, productivity, and performance accountability (Susilawati et al., 2024; Listianingsih et al., 2026). These challenges have encouraged government institutions to adopt various human resource management strategies aimed at enhancing employee performance (Hidayat et al., 2023).

One of the most important factors influencing employee performance is compensation (Riyanto et al., 2022). Compensation refers to all forms of financial and non-financial rewards provided to employees in exchange for their contributions to organizational goals (Martocchio, 2023). Compensation functions not only as a means of fulfilling employees' economic needs but also as a motivational instrument that encourages employees to improve their work performance (Paais & Pattiruhu, 2020). According to expectancy theory, employees are motivated to exert greater effort when they believe that their performance will result in desirable rewards (Van Eerde & Thierry, 2021). Similarly, equity theory suggests that employees evaluate the fairness of compensation by comparing their rewards with those received by others, and perceptions of inequity may reduce motivation and performance (Gupta & Shaw, 2022). Therefore, compensation systems must be designed and implemented fairly, transparently, and consistently to achieve their intended objectives (Kooij et al., 2021; Ariobina & Vidada, 2026).

The relationship between compensation and employee performance has received considerable attention in the field of human resource management (Nisar et al., 2021). Numerous studies have demonstrated that appropriate compensation can enhance employee motivation, job satisfaction, organizational commitment, and performance (Yamin, 2022). Employees who perceive compensation as adequate and equitable are generally more willing to contribute positively to organizational goals (Newman et al., 2022). Conversely, dissatisfaction with compensation may result in reduced motivation, absenteeism, lower productivity, and declining performance (Raza et al., 2021).

As a result, compensation is widely regarded as one of the key determinants of organizational effectiveness (Amin et al., 2023). Within the context of Indonesian public administration, compensation reform has become an important component of bureaucratic reform (Dwiyanto & Pramusinto, 2022). The government has introduced various compensation policies aimed at improving employee welfare and encouraging performance-based management. One such policy is the provision of Additional Employee Income (Tambahan Penghasilan Pegawai/TPP), which is widely implemented by regional governments. TPP is intended to supplement the basic salary of civil servants and provide incentives for improved performance, discipline, and accountability. The implementation of TPP reflects the government's commitment to creating a more professional bureaucracy that emphasizes performance outcomes rather than merely procedural compliance.

The legal basis for TPP implementation is supported by various government regulations, including the Minister of Home Affairs Regulation No. 59 of 2007 concerning Regional Financial Management. This regulation allows regional governments to provide additional income to civil servants based on objective considerations such as workload, work achievement, working conditions, job location, and regional financial capacity. Through this mechanism, TPP is expected to encourage employees to perform their duties more effectively while simultaneously improving employee welfare. Consequently, TPP serves not only as a compensation instrument but also as a strategic policy tool to strengthen accountability and performance management in public institutions. In the Secretariat of Gowa Regency, TPP has been implemented as part of efforts to improve ASN performance and support bureaucratic reform initiatives. The policy aims to motivate employees to achieve higher performance standards and contribute more effectively to organizational objectives. However, despite the intended benefits of TPP, its implementation has not always produced the expected outcomes. Various practical challenges have emerged, raising concerns regarding the effectiveness of TPP as a performance-enhancing mechanism.

Preliminary observations indicate several issues associated with TPP implementation in the Secretariat of Gowa Regency. First, some employees perceive a mismatch between workload and the amount of compensation received. Employees with heavier responsibilities may feel that the rewards provided do not adequately reflect their contributions, leading to dissatisfaction and reduced motivation. Second, delays in TPP disbursement have occasionally occurred, reducing its effectiveness as a motivational tool because rewards are not received in a timely manner. Third, perceptions of unfairness have emerged among employees due to concerns about transparency in determining TPP allocation. These conditions suggest that compensation effectiveness is influenced not only by the amount of compensation provided but also by how compensation policies are implemented and perceived by employees.

Several previous studies have examined the relationship between compensation and employee performance, producing findings that generally support a positive association between the two variables. Compensation significantly improves employee performance both directly and indirectly through work motivation (Rahma, 2019). Similarly, Pratama and Suryani (2020) reported that compensation contributes positively to employee productivity and organizational commitment. Research conducted by previous studies also demonstrated that financial incentives play a significant role in encouraging employees to achieve higher performance targets within public sector organizations (Hidayat & Yusuf, 2021). However, other studies have revealed more complex findings.

Compensation alone is insufficient to improve employee performance when employees perceive inequity in reward distribution (Wahyuni & Kurniawan, 2021). Likewise, the previous studies reported that delayed compensation payments can weaken the motivational impact of financial incentives, thereby reducing their influence on employee performance (Setiawan et al., 2022). In another study, concluded that transparency and fairness in compensation administration significantly affect employee satisfaction and performance outcomes (Putri & Nugroho, 2023). These findings indicate that compensation effectiveness depends not only on financial value but also on implementation quality.

Although previous studies have contributed valuable insights into the relationship between compensation and performance, several research gaps remain. First, most existing studies focus primarily on private-sector organizations, while research examining compensation effectiveness within regional government institutions remains relatively limited. Public sector organizations possess unique characteristics, including bureaucratic structures, regulatory constraints, and performance evaluation systems that differ substantially from those of private enterprises.

Consequently, findings from private-sector studies may not be fully applicable to public-sector contexts. Second, many previous studies emphasize the direct relationship between compensation and employee performance without adequately considering implementation-related factors such as fairness, transparency, and timeliness. As suggested by equity theory, employees' perceptions regarding compensation administration may significantly influence the extent to which compensation affects performance. Therefore, examining compensation solely from a financial perspective may provide an incomplete understanding of its effectiveness.

Third, empirical evidence concerning the implementation of TPP in local government institutions remains inconsistent. While some studies report positive impacts of TPP on employee performance, others identify implementation challenges that limit its effectiveness. These inconsistencies indicate the need for further investigation in different institutional settings to better understand the conditions under which TPP contributes to performance improvement.

Based on these gaps, the present study seeks to provide a more comprehensive analysis of the effect of TPP on ASN performance in the Secretariat of Gowa Regency. Unlike previous studies that focus predominantly on direct compensation-performance relationships, this research explicitly examines the practical implementation context of TPP, including issues related to fairness, transparency, workload suitability, and administrative efficiency. By incorporating these contextual dimensions, the study offers a more nuanced understanding of how compensation policies operate within public sector organizations.

The novelty of this study lies in three main aspects. First, it focuses specifically on ASN working in the Secretariat of Gowa Regency, a public sector setting that has received limited attention in previous compensation studies. Second, the study goes beyond examining compensation as a purely financial variable by considering implementation-related factors that may influence compensation effectiveness. Third, the research provides empirical evidence regarding the practical challenges associated with TPP implementation and their implications for employee performance within the framework of bureaucratic reform. These contributions distinguish the study from previous research and provide added value to the literature on public sector human resource management.

The significance of this study extends beyond academic contributions. From a practical perspective, the findings are expected to provide valuable insights for policymakers and local government administrators in designing compensation systems that are more effective, equitable, and performance-oriented. Understanding the factors that enhance or hinder the effectiveness of TPP can assist decision-makers in improving compensation policies and ensuring that financial incentives contribute meaningfully to organizational performance. Furthermore, the findings may support broader bureaucratic reform initiatives aimed at strengthening professionalism, accountability, and public service quality.

In conclusion, compensation remains one of the most influential factors affecting employee performance in public organizations. However, the effectiveness of compensation policies such as TPP depends not only on the amount of financial rewards provided but also on employees' perceptions of fairness, transparency, and administrative effectiveness. Existing research has demonstrated the importance of compensation for performance improvement, yet gaps remain regarding the contextual factors that shape compensation effectiveness in public sector institutions. By investigating the implementation of TPP and its relationship with ASN performance in the Secretariat of Gowa Regency, this study seeks to address these gaps and contribute both theoretical and practical insights for the development of performance-based compensation systems in Indonesia's public sector.

Method

This study employed a quantitative research design with a causal associative approach to examine the relationship between compensation, in the form of Additional Employee Income

(Tambahan Penghasilan Pegawai/TPP), and the performance of State Civil Apparatus (ASN). The selected design is appropriate for answering the research question, as it allows for the identification and measurement of cause-and-effect relationships between variables.

Specifically, this study aims to determine whether TPP (independent variable) significantly influences employee performance (dependent variable) within a public sector organizational setting. The research was conducted using a survey method, which is widely recognized for its effectiveness in collecting standardized data from a relatively large number of respondents. Data were gathered through structured questionnaires, enabling the researcher to quantify perceptions, attitudes, and responses related to compensation and performance. The procedures followed in this study were systematically organized, starting from instrument development, data collection, data validation, and statistical analysis, ensuring replicability and methodological rigor.

The study was carried out at the Secretariat of Gowa Regency, South Sulawesi, Indonesia. This location was selected based on its relevance to the research objectives, as it represents a governmental institution where ASN employees directly receive TPP as part of the regional compensation policy. Furthermore, the institution has a sufficiently representative number of employees, making it a suitable setting for examining the relationship between compensation and performance in the public sector. The research was conducted over a period of approximately two months, from February to April 2026, which provided adequate time for data collection and verification.

The population of this study consisted of all ASN employees working at the Secretariat of Gowa Regency, totaling 75 individuals. Given that the population size was relatively small and manageable, this study employed a saturated sampling technique (census method), where all members of the population were included as research respondents. This sampling approach ensures comprehensive data coverage and eliminates sampling bias, thereby increasing the internal validity of the study. The choice of saturated sampling is justified as it allows for a complete representation of the population without the need for sample estimation.

Data collection was conducted using three main techniques. First, observation was employed to gather contextual and behavioral data related to employee activities within the organization. This method enabled the researcher to obtain real-time insights into workplace dynamics and employee interactions. Second, a structured questionnaire was distributed to all respondents. The questionnaire consisted of items developed based on theoretical indicators of compensation and employee performance. Responses were measured using a Likert scale ranging from 1 to 5, where higher scores indicate stronger agreement with the statements.

Third, documentation techniques were used to support the data collection process, including the retrieval of institutional records and visual documentation during the questionnaire distribution process. These multiple data collection methods ensured data triangulation and enhanced the reliability of the findings. The study utilized primary quantitative data, which were directly obtained from respondents through the questionnaire. Quantitative data were chosen because they allow for precise measurement and statistical analysis of the relationships between variables.

The data collected included respondents' perceptions of TPP (e.g., fairness, timeliness, adequacy) and various dimensions of employee performance (e.g., quality, quantity, timeliness, responsibility, and initiative). Operationally, the independent variable in this study is compensation in the form of TPP, defined as financial incentives provided by the regional government to improve employee welfare and motivation. The indicators used to measure this variable include perceived fairness, adequacy, timeliness of payment, relevance to employee needs, and its impact on motivation. The dependent variable is employee performance, defined as the level of achievement of ASN employees in fulfilling their duties and responsibilities. Performance was measured using indicators such as work quality, quantity, timeliness, teamwork, responsibility, and initiative. All variables were measured using a Likert scale to ensure consistency and comparability of responses. Before conducting the main analysis, the research instrument was subjected to validity and reliability testing to ensure measurement accuracy.

Validity testing was performed using the Corrected Item–Total Correlation method, where each item was correlated with the total score of its respective variable. An item was considered valid if the correlation coefficient exceeded the critical value (r-table) at a significance level of 0.05 or if the p-value was less than 0.05. Reliability testing was conducted using Cronbach's Alpha, with a threshold value of 0.70, indicating acceptable internal consistency. These procedures ensure that the instrument accurately measures the intended constructs and produces consistent results. In addition, the study conducted classical assumption tests to validate the suitability of the regression model.

The normality test was performed using the Kolmogorov–Smirnov test and supported by graphical analysis through the Normal Probability Plot (P–P Plot). Data were considered normally distributed if the significance value exceeded 0.05 or if the plotted points followed the diagonal line. Furthermore, the heteroscedasticity test was conducted to determine whether the variance of residuals remained constant across observations. The absence of heteroscedasticity indicates that the regression model is unbiased and efficient. To analyze the relationship between variables, this study employed simple linear regression analysis, which is suitable for examining the effect of a single independent variable on a dependent variable. The regression model is formulated as follows:

$$Y=\alpha+\beta X+\varepsilon$$

where Y represents employee performance, X represents compensation (TPP), α is the constant, β is the regression coefficient, and ε is the error term. This model allows for the estimation of the magnitude and direction of the effect of TPP on employee performance. Hypothesis testing was conducted using the t-test (partial test) to evaluate whether the independent variable significantly affects the dependent variable. The level of significance was set at $\alpha = 0.05$.

The decision criteria were as follows: if the p-value is less than 0.05 or if the calculated t-value exceeds the critical t-table value, the null hypothesis (H0) is rejected, indicating that compensation has a significant effect on employee performance. Conversely, if these conditions are not met, the null hypothesis is accepted. Finally, the study employed the coefficient of determination (R^2) to measure the proportion of variance in the dependent variable explained by the independent variable. The R^2 value provides insight into the explanatory power of the regression model. For example, an R^2 value of 0.40 indicates that 40% of the variation in employee performance can be explained by compensation, while the remaining 60% is influenced by other factors not included in the model.

This analysis is essential for understanding the overall contribution of TPP to employee performance. Overall, the methodological approach adopted in this study is comprehensive, systematic, and replicable, ensuring that the findings are both valid and reliable. The combination of appropriate research design, complete population coverage, rigorous data collection procedures, and robust statistical analysis techniques strengthens the credibility of the study and its contribution to the field of public sector human resource management.

Results

Presentation of Research Findings

Descriptive Analysis

Descriptive Statistics Based on Likert Scale Criteria

Table 1. *Descriptive Statistics of Research Variables*

Variable	N	Minimum	Maximum	Mean	Std. Deviation	Category
Additional Employee Income Compensation	75	27	55	42.52	7.96	High
Employee Performance	75	41	67	54.12	6.67	High

Table 1. presents the descriptive statistics of the two main variables examined in this study, namely Additional Employee Income Compensation (TPP) and Employee Performance. The results indicate that both variables are categorized as high, with mean values of 42.52 and 54.12, respectively. These findings suggest that employees generally perceive the implementation of TPP positively and consider their performance level to be relatively high. This condition indicates that the compensation system implemented by the Secretariat of Gowa Regency has been accepted by employees and may contribute to maintaining performance standards within the organization. The standard deviation values of 7.96 for compensation and 6.67 for employee performance indicate the existence of variation in respondents' perceptions.

These findings are consistent with previous studies showing that compensation plays an important role in enhancing employee motivation and performance (Rahma, 2019; Pratama & Suryani, 2020). The high mean score for employee performance also indicates that employees are generally able to perform their duties effectively. However, the variation in responses suggests that organizational management should continuously improve transparency and fairness in compensation distribution to ensure that all employees perceive the policy positively.

Respondent Characteristics

Table 2. *Respondents by Gender*

Gender	Frequency	Percentage
Female	36	48%
Male	39	52%
Total	75	100%

Table 2, illustrates the gender distribution of respondents, showing a relatively balanced composition between male (52%) and female (48%) employees. This balanced distribution enhances the representativeness of the data, minimizing gender bias in the findings. The slight dominance of male respondents is not substantial enough to distort the overall analysis. From a human resource perspective, gender balance is important because perceptions of compensation and performance may differ across demographic groups. The relatively equal representation ensures that the study captures diverse perspectives, making the conclusions more generalizable within the organization. Additionally, this balance reflects that both male and female employees are equally engaged in organizational activities and performance evaluation processes. Therefore, the findings of this study can be considered inclusive and reflective of the actual workforce composition in the Secretariat of Gowa Regency.

Table 3. *Respondents by Age*

Age Group	Frequency	Percentage
< 25 years	10	13%
25–35 years	27	36%
36–45 years	18	24%
> 45 years	20	27%
Total	75	100%

Table 3 presents the age distribution of respondents, indicating that the majority fall within the 25–35 years category (36%), followed by those above 45 years (27%). This suggests that the workforce is dominated by individuals in their productive age, which is typically associated with higher energy levels, adaptability, and learning capacity. Employees within this age range are generally more responsive to performance-based incentives such as TPP. Meanwhile, the presence of older employees (>45 years) contributes valuable experience and organizational knowledge. The variation in age groups suggests a balanced mix of innovation and experience within the organization. From a theoretical standpoint, age can influence motivation and performance differently, where younger employees may be more driven by financial incentives, while older employees may prioritize job security and recognition. Thus, the diversity in age distribution strengthens the reliability of the study in capturing different behavioral responses toward compensation policies.

Table 4. *Respondents by Work Experience*

Work Experience	Frequency	Percentage
< 5 years	18	24%
5–10 years	32	42.7%
11–15 years	17	22.7%
> 15 years	8	10.6%
Total	75	100%

Table 4. shows that the majority of respondents have 5–10 years of work experience (42.7%). This indicates that most employees possess sufficient experience to understand organizational processes and performance expectations. Employees with moderate experience are typically in a stage where they seek career advancement and are highly responsive to incentives such as additional income. The presence of employees with less than 5 years of experience (24%) reflects the inclusion of newer staff who may still be adapting to organizational culture. Meanwhile, employees with more than 10 years of experience provide stability and institutional knowledge. This distribution suggests that the organization benefits from both fresh perspectives and experienced insights. From a performance perspective, work experience plays a crucial role in shaping efficiency, responsibility, and initiative, which are key indicators in this study.

Table 5. *Respondents by Salary*

Salary Range (IDR)	Frequency	Percentage
< 2,000,000	12	16%
2,000,000–3,000,000	28	37.3%
3,000,000–4,000,000	25	33.3%
> 4,000,000	10	13.4%
Total	75	100%

Table 5. indicates that the majority of respondents fall within the salary range of IDR 2,000,000–3,000,000 (37.3%), followed by IDR 3,000,000–4,000,000 (33.3%). This suggests that most employees belong to the middle-income category. The relatively smaller proportion of employees in higher salary brackets indicates limited income disparity within the organization.

From an economic perspective, salary levels can influence how employees perceive additional compensation such as TPP. Employees in lower income brackets may perceive TPP as more significant compared to those in higher brackets. Therefore, the effectiveness of compensation policies may vary depending on income level. The distribution also suggests that TPP plays an important role in enhancing employee welfare, particularly for middle-income employees. Overall, the salary distribution provides important context for understanding employee perceptions of compensation fairness and adequacy.

Variable Description

Compensation Variable (X)

Table 6. *Respondent Responses – Compensation Variable*

Item	Mean	Category
X1	3.57	High
X2	3.52	High
X3	3.56	High
X4	3.52	High
X5	3.55	High
X6	3.53	High
X7	3.56	High
X8	3.49	High
X9	3.49	High
X10	3.64	High
X11	3.49	High
X12	3.55	High
Average	3.54	High

Table 6 shows that the compensation variable has an overall mean score of 3.54, which falls within the high category. This result indicates that respondents generally agree that the Additional Employee Income (TPP) policy has been implemented satisfactorily and provides benefits to employees. The high average score reflects a positive perception of compensation as an instrument for improving employee welfare and supporting work performance. Among all indicators, item X10 obtained the highest mean score of 3.64, suggesting that this aspect of compensation is perceived most favorably by employees. In contrast, items X8, X9, and X11 recorded relatively lower mean scores compared to other indicators, although they still remain within the high category.

These lower scores may indicate concerns related to fairness, adequacy, or consistency in compensation implementation. Such findings are important because employees' perceptions of compensation fairness can significantly influence their motivation and work attitudes. From a theoretical perspective, these results support Equity Theory, which argues that employee satisfaction is influenced by perceptions of fairness in reward allocation (Adams, 1965). Employees who perceive compensation as fair are more likely to demonstrate positive work behaviors and higher performance. Conversely, perceived inequity may reduce motivation and organizational commitment.

The findings also support previous studies indicating that effective compensation systems contribute positively to employee satisfaction and productivity (Hidayat & Yusuf, 2021; Setiawan et al., 2022). Overall, the results suggest that the compensation system has been implemented effectively; however, several indicators still require managerial attention to ensure that all employees perceive the compensation policy as fair, transparent, and proportional to their workload and responsibilities.

Employee Performance Variable (Y)

Table 7. *Respondent Responses – Employee Performance*

Item	Mean	Category
Y1	3.83	High
Y2	3.45	High
Y3	3.60	High
Y4	3.65	High
Y5	3.69	High
Y6	3.59	High
Y7	3.67	High
Y8	3.69	High
Y9	3.63	High
Y10	3.65	High
Y11	3.67	High
Y12	3.60	High
Y13	3.67	High
Y14	3.52	High
Y15	3.52	High
Average	3.61	High

Table 7. presents respondents' perceptions regarding employee performance. The overall mean score of 3.61 indicates that employee performance is categorized as high. This finding suggests that employees of the Secretariat of Gowa Regency generally demonstrate good performance in carrying out their duties and responsibilities. The result reflects the ability of employees to meet organizational expectations in terms of work quality, productivity, responsibility, and timeliness. The highest score was obtained by item Y1 (3.83), indicating that employees perform particularly well in this dimension. Meanwhile, item Y2 obtained the lowest score (3.45), although it remains within the high category.

This suggests that while overall performance is satisfactory, there are still certain aspects that require improvement. The relatively small differences among indicator scores demonstrate a consistent level of performance across various dimensions. These findings are in line with performance management theory, which states that employees tend to demonstrate higher performance when they receive adequate support, motivation, and rewards from the organization. Furthermore, previous studies have shown that financial incentives and compensation programs can positively influence employee performance by increasing motivation and job satisfaction (Rahma, 2019; Putri & Nugroho, 2023).

The consistently high scores across performance indicators suggest that employees have adapted well to organizational expectations and performance standards. Nevertheless, continuous monitoring and development programs remain necessary to sustain and further improve performance outcomes in the future. Likert Scale Interpretation:

Table 8. *Likert Scale Criteria*

Mean Interval	Category
1.00 – 1.80	Very Poor
1.81 – 2.60	Poor
2.61 – 3.40	Neutral
3.41 – 4.20	Good
4.21 – 5.00	Very Good

Instrument Testing

Validity Test

Table 9. *Validity Test – Compensation*

No	Item	r-count	r-table (df = n-2)	Significance Level	Result
1	X1	0.769	0.191	0.05	Valid
2	X2	0.806	0.191	0.05	Valid
3	X3	0.797	0.191	0.05	Valid
4	X4	0.755	0.191	0.05	Valid
5	X5	0.718	0.191	0.05	Valid
6	X6	0.731	0.191	0.05	Valid
7	X7	0.812	0.191	0.05	Valid
8	X8	0.760	0.191	0.05	Valid
9	X9	0.821	0.191	0.05	Valid
10	X10	0.839	0.191	0.05	Valid
11	X11	0.729	0.191	0.05	Valid
12	X12	0.755	0.191	0.05	Valid

Table 9 shows that all compensation items have r-count values greater than the r-table value (0.191), indicating that all items are valid. This means that each statement effectively measures the intended construct of compensation. The high correlation values (0.718–0.839) suggest strong relationships between individual items and the overall variable. This indicates that the instrument has good construct validity and can accurately capture employee perceptions of compensation. From a methodological standpoint, validity is crucial to ensure that the data collected truly represents the concept being studied. The results confirm that no items need to be removed, allowing for comprehensive analysis of all indicators. This strengthens the credibility of the research findings.

Reliability Test

Table 10. *Reliability Test*

Variable	Cronbach Alpha	Standard	Result
Compensation	0.939	0.60	Reliable
Performance	0.881	0.60	Reliable

Table 10 shows Cronbach's Alpha values of 0.939 for compensation and 0.881 for performance, both exceeding the threshold of 0.60. This indicates that the instruments are highly reliable and consistent. High reliability means that the measurement results are stable and reproducible. The strong internal consistency suggests that all items within each variable are measuring the same underlying construct. This is essential for ensuring the accuracy and dependability of the data. From a research perspective, reliable instruments increase confidence in the findings and support further statistical analysis.

Classical Assumption Tests

Normality Test

Table 11. *Kolmogorov-Smirnov Normality Test*

Test Component	Value
N	75
Mean (Residual)	0.000
Std. Deviation	4.667
Test Statistic	0.068
Asymp. Sig. (2-tailed)	0.200
Monte Carlo Sig. (2-tailed)	0.513
Confidence Interval (99%)	0.500 – 0.526

Table 11 indicates that the significance value (0.200) is greater than 0.05, confirming that the data are normally distributed. This satisfies one of the key assumptions of regression analysis. The additional Monte Carlo significance value (0.513) further strengthens this conclusion. Normal distribution ensures that statistical tests such as t-tests and regression produce valid results. Therefore, the model is appropriate for further analysis.

Multicollinearity Test

Table 12. *Multicollinearity Test*

Variable	Tolerance	VIF	Result
Compensation	1.000	1.000	No multicollinearity

The results show tolerance = 1.000 and VIF = 1.000, indicating no multicollinearity. This is expected since the model only includes one independent variable. The absence of multicollinearity ensures that the regression coefficients are stable and unbiased.

Heteroscedasticity Test

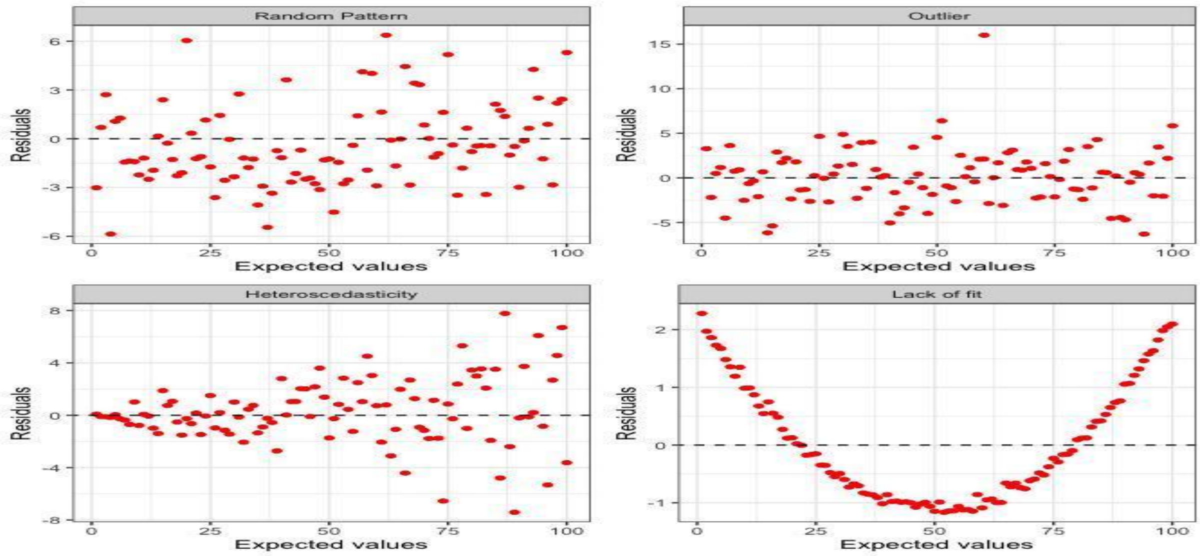

***Figure 1**. Scatterplot*

The scatterplot shows that data points are randomly distributed without a clear pattern. This indicates the absence of heteroscedasticity. Therefore, the regression model meets the homoscedasticity assumption, ensuring reliable estimation results.

Regression Analysis

The regression model:

$$Y = 28.821 + 0.595X$$

Interpretation:

- Constant = 28.821
- Coefficient = 0.595 → positive effect

Table 13. *Regression Results*

Variable	B	Std Error	Beta
Constant	28.821	2.969	—
X	0.595	0.069	0.721

The regression results show a positive coefficient (0.595), indicating that compensation has a positive effect on performance. The relatively high beta value (0.721) suggests a strong relationship between variables.

Hypothesis Testing

t-Test

Table 14. *Hypothesis Testing*

Variable	t-value	Sig
X	8.667	0.000

The t-value (8.667) and significance (0.000) indicate that compensation significantly affects performance. This confirms the research hypothesis.

Coefficient of Determination

Table 15. *Coefficient of Determination*

R	R Square	Adjusted R Square
0.712	0.507	**0.500**

The R^2 value of 0.507 indicates that 50.7% of performance variation is explained by compensation. The remaining 49.3% is influenced by other factors.

Discussion

The Effect of Additional Employee Income on Employee Performance

The findings of this study provide strong empirical evidence that Additional Employee Income (Tambahan Penghasilan Pegawai/TPP) has a positive and statistically significant effect on the performance of State Civil Apparatus (ASN) at the Secretariat of Gowa Regency. This conclusion is supported by the results of the t-test, which produced a t-value of 8.667 with a significance level of 0.000, indicating that compensation significantly influences employee performance. The positive regression coefficient further demonstrates that improvements in compensation are associated with increases in employee performance. These findings suggest that TPP functions as an effective motivational instrument capable of encouraging employees to improve their work outcomes and contribute more effectively to organizational goals. The positive relationship identified in this study reflects the importance of financial incentives in public sector organizations.

Although public service motivation is often considered a major driver of employee behavior in government institutions, the results indicate that financial rewards continue to play a significant role in influencing work performance. Employees who perceive compensation as beneficial and meaningful tend to demonstrate greater commitment, responsibility, and dedication in carrying out their duties. In the context of the Secretariat of Gowa Regency, the implementation of TPP appears to provide employees with additional motivation to achieve organizational targets and fulfill performance expectations. These findings support the argument that compensation remains one of the most important mechanisms for enhancing employee productivity and organizational effectiveness. Public sector organizations frequently face challenges related to bureaucratic inefficiency, limited employee motivation, and difficulties in maintaining high performance standards.

Therefore, the implementation of compensation policies such as TPP can serve as a strategic intervention to address these challenges. By linking additional income to employee performance, organizations can encourage greater accountability and foster a stronger performance-oriented culture. The findings are consistent with previous studies that have demonstrated a positive relationship between compensation and employee performance. That compensation significantly influences employee performance both directly and indirectly through motivation (Rahma, 2019). Similarly, previous studies reported that compensation contributes positively to employee productivity, job satisfaction, and organizational commitment (Pratama & Suryani, 2020). That financial incentives enhance employee willingness to achieve performance targets and improve work outcomes (Hidayat & Yusuf, 2021).

The consistency between the present study and these previous findings strengthens the argument that compensation serves as an important determinant of employee performance across various organizational settings. However, this study extends previous research by focusing specifically on the implementation of TPP within a local government institution. Unlike many studies conducted in private-sector organizations, this research provides empirical evidence from the public sector, where organizational structures, performance evaluation mechanisms, and employee motivations may differ substantially. Therefore, the findings contribute to a growing body of literature emphasizing the importance of compensation in improving public sector performance.

Strength of Relationship and Model Contribution

The regression analysis revealed a correlation coefficient (R) of 0.712, indicating a strong relationship between compensation and employee performance. According to commonly accepted statistical interpretations, a correlation coefficient above 0.70 represents a strong association between variables. This result suggests that improvements in compensation are closely linked to improvements in employee performance within the Secretariat of Gowa Regency. Furthermore, the coefficient of determination (R^2) was found to be 0.507, indicating that compensation explains 50.7% of the variation in employee performance.

This percentage represents a substantial contribution and demonstrates that compensation is one of the dominant factors influencing employee behavior within the organization. The finding suggests that more than half of employee performance outcomes can be attributed to differences in compensation perceptions and experiences. Nevertheless, the remaining 49.3% of performance variation is explained by factors not included in the current research model. This finding highlights the multidimensional nature of employee performance and suggests that performance cannot be fully explained by compensation alone. Employee performance is influenced by a variety of organizational and individual factors, including leadership style, organizational culture, work environment, training opportunities, job satisfaction, career development, work discipline, and intrinsic motivation.

This result is consistent with the human resource management perspective proposed by previous studies, who argue that employee performance is shaped by a combination of financial and non-financial factors. Compensation may serve as a powerful extrinsic motivator, but sustainable performance improvement requires the integration of broader organizational support systems. Therefore, while TPP represents an effective policy instrument, it should be complemented by other human resource management practices designed to strengthen employee engagement and organizational commitment.

The findings also suggest that policymakers should avoid relying exclusively on compensation as a performance improvement strategy. While increasing financial rewards may generate short-term performance gains, long-term organizational effectiveness requires a comprehensive approach that addresses multiple dimensions of employee motivation and development. Consequently, compensation policies should be integrated with leadership development programs, performance evaluation systems, employee training initiatives, and organizational culture enhancement efforts.

Theoretical Implications: Motivation and Equity Perspectives

The results of this study can be explained through several prominent theories in human resource management, particularly Expectancy Theory and Equity Theory. Employees are motivated when they believe that their efforts will lead to desirable outcomes. The theory emphasizes three key components: expectancy, instrumentality, and valence. Expectancy refers to the belief that effort will lead to improved performance; instrumentality refers to the belief that performance will result in rewards; and valence refers to the value employees place on those rewards.

Within the context of this study, TPP serves as a tangible reward that strengthens the relationship between effort and performance. Employees recognize that improved work performance can result in additional financial benefits, thereby increasing their motivation to perform effectively. The positive effect of compensation identified in this research suggests that employees perceive TPP as a valuable reward and believe that their work efforts are connected to meaningful outcomes.

According to this theory, employees evaluate fairness by comparing their inputs and outcomes with those of others. When employees perceive compensation as fair, they are more likely to experience satisfaction and maintain high levels of performance. Conversely, perceptions of unfairness may result in dissatisfaction, reduced motivation, and lower performance. The descriptive findings of this study revealed that although compensation perceptions were generally positive, some variation existed among respondents. This variation may indicate differences in employee perceptions regarding fairness, workload distribution, and compensation adequacy.

Such findings are important because compensation effectiveness depends not only on monetary value but also on employees' perceptions of fairness and transparency. This interpretation is supported by previous studies, who found that compensation fails to achieve its intended motivational effects when employees perceive inequity in reward allocation (Wahyuni & Kurniawan, 2021). Similarly, previous studies reported that transparent compensation systems positively influence employee satisfaction and performance (Putri & Nugroho, 2023). Therefore, the effectiveness of TPP depends not only on the amount provided but also on the extent to which employees perceive the distribution process as equitable and transparent.

Compensation as a Driver of Organizational Behavior

Beyond its direct impact on performance, compensation also influences broader aspects of organizational behavior. The findings suggest that TPP contributes to the development of positive employee attitudes and work behaviors. Employees who receive additional compensation may feel more appreciated and recognized by the organization, leading to greater organizational commitment and stronger psychological attachment to their workplace. Compensation can also contribute to employee retention. In many public organizations, employees may experience limited opportunities for substantial salary increases due to regulatory constraints. Under such conditions, TPP serves as an important supplementary reward that enhances employee welfare and reduces dissatisfaction.

Employees who perceive their compensation positively are more likely to remain committed to organizational goals and less likely to seek alternative employment opportunities. Moreover, compensation can influence employee discipline and accountability. Public sector reforms increasingly emphasize performance-based management, requiring employees to meet specific targets and demonstrate measurable achievements. The implementation of TPP aligns with these reform objectives by linking financial rewards to performance outcomes. As employees recognize that performance is associated with tangible benefits, they may become more motivated to improve attendance, punctuality, productivity, and service quality.

The findings are consistent with organizational behavior theories suggesting that rewards reinforce desirable behaviors. Employees tend to repeat behaviors that produce positive outcomes. Therefore, when compensation is associated with good performance, employees are encouraged to maintain or improve their work efforts. This mechanism helps explain why compensation contributes significantly to employee performance in the present study. However, compensation should not be viewed as a universal solution to all organizational challenges. Financial incentives may lose their effectiveness if they are not supported by a positive work environment, effective leadership, and fair performance evaluation systems. Consequently, organizations should adopt a balanced approach that combines financial rewards with opportunities for professional development, recognition, participation, and career advancement.

Practical Implications for Public Sector Policy

The findings of this study have important implications for policymakers and administrators within regional government institutions. First, the significant positive effect of TPP on employee performance suggests that compensation policies should continue to be utilized as strategic tools for enhancing organizational effectiveness. The results demonstrate that financial incentives can successfully encourage employees to improve their performance and contribute more effectively to organizational objectives. Second, policymakers should prioritize fairness and transparency in the implementation of TPP.

As indicated by Equity Theory and supported by the descriptive findings, employee perceptions regarding fairness can significantly influence compensation effectiveness. Therefore, compensation allocation should be based on objective performance indicators, clearly communicated procedures, and transparent evaluation mechanisms. Third, the government should ensure the timely disbursement of TPP. Delays in compensation payments may reduce employees' trust in the system and weaken the motivational impact of financial rewards. Timely compensation reinforces the connection between performance and reward, thereby strengthening employee motivation. Fourth, compensation policies should be integrated into broader human resource management strategies.

Although TPP contributes significantly to employee performance, nearly half of performance variation remains unexplained by compensation alone. This finding indicates the importance of complementary initiatives such as leadership development, employee training, performance appraisal improvements, and organizational culture enhancement programs. Finally, the results support the broader objectives of bureaucratic reform in Indonesia. By encouraging performance-oriented behavior and strengthening employee accountability, TPP contributes to the development of a more professional and effective public sector.

Therefore, regional governments should continuously evaluate and refine compensation policies to maximize their effectiveness and ensure alignment with organizational goals. Overall, this study demonstrates that Additional Employee Income (TPP) represents an effective policy instrument for improving employee performance within the public sector. However, its success depends not only on the amount of compensation provided but also on the quality of implementation, fairness, transparency, and integration with broader organizational development initiatives.

Conclusion

This study aimed to analyze the effect of Additional Employee Income (Tambahan Penghasilan Pegawai/TPP) on the performance of State Civil Apparatus (ASN) at the Secretariat of Gowa Regency. The results indicate that TPP has a positive and statistically significant effect on employee performance, as evidenced by a regression coefficient of 0.595, a t-value of 8.667, and a significance level of 0.000 (< 0.05). Furthermore, the coefficient of determination ($R^2 = 0.507$) shows that 50.7% of the variation in employee performance can be explained by compensation, while the remaining 49.3% is influenced by other factors outside the model. These findings confirm the research objective and support motivation and equity theories, which suggest that fair and adequate compensation can enhance employee motivation and performance. The study also implies that TPP can serve as an effective human resource management instrument for strengthening productivity, responsibility, and performance-oriented behavior among public sector employees. Therefore, regional governments should ensure that compensation policies are implemented transparently, fairly, and consistently. This study is limited by its focus on a single independent variable, the use of self-reported questionnaire data, and a sample restricted to one government institution. Future research is recommended to include additional variables, such as leadership style, organizational culture, job satisfaction, and work environment, as well as broader samples and longitudinal approaches to obtain a more comprehensive understanding of employee performance determinants in the public sector.

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