

Research article

A Reward System Model for High-Performing State Civil Apparatus in Indonesia

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Abstract.

The provision of rewards for the performance of State Civil Apparatus (ASN) personnel within the Indonesian Government is not currently regulated by an efficient system. Budget reallocation for priority handling of the COVID-19 pandemic has been important. This study aimed to map and develop a performance and reward system model for the Ministry of Finance, the Indonesian National Police (POLRI), the Corruption Eradication Commission (KPK), state-owned enterprises (Telkom, PLN, and Pertamina), the West Java Provincial Government, and the Yogyakarta City Government. Qualitative descriptive methods were used to create a reward system model for high-performing ASN employees that took into account the components of their performance. It was concluded that the reward system could be financial or non-financial in nature and should be given in accordance with employee performance achievement. The findings can be used to provide an overview of a fair reward system for civil servants in Indonesia who have excelled at their jobs.

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1. INTRODUCTION

The performance of the Indonesian bureaucracy is still considered no longer most fulfilling, this can be visible from several global parameters, including: (a) the Government Effectiveness Index(1) (GEI) in 2018 placed Indonesia at a score of 59.13 out of the highest scale of 100; (b) e-Government Development Index(2) (EGDI), Indonesia is ranked 88th out of 193 countries in 2020; (c) The 2019 Global Competitiveness Report (GCR)(3) places Indonesia at 50th out of 141 countries, while for institutional variables, Indonesia is at 51st out of 141 countries; (d) The 2019 Ease of Doing Business (EoDB)(4) placed Indonesia in 73rd rank out of 190 countries; (e) Control of Corruption (CoC) index 2018(5), -0.25 on a scale of -2.5 to 2.5; (f) The 2018 Corruption Perception Index (CPI)(6) placed Indonesia in the 85th rank out of 180 countries; and (g) the 2019 United Nations Development Program (UNDP) assessment, the Human Development Index (HDI)(7) ranked 111 out of 189 countries. Based on the global assessment above, efforts

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to realize a clean, effective and reliable government need to be carried out continuously and sustainably in order to get better bureaucratic performance.

Presidential Regulation (Peraturan Presiden) Number 81 of 2010 regarding the Grand Design of Bureaucratic Reform 2010 – 2025(8) has set a vision of bureaucratic reform 2025 for “The Realization of World Class Government”, as an effort to improve the Indonesian government bureaucracy. To realize the grand design vision, bureaucratic reform was carried out in three stages, namely: (a) Bureaucratic Reform carried out in the 2010-2014 Medium Term Development Plan (RPJMN) by realizing a clean and free government of corruption, collusion and nepotism, improving the quality of public services to the community, and increasing capacity and accountability of bureaucratic performance. (b) The application of the ASN Merit system in the 2015-2019 RPJMN by continuing and continuing the efforts that have not been achieved in various strategic components of the government bureaucracy in the first five years. (c) World-class government in the 2020-2024 RPJMN with continuous improvement of bureaucratic capacity to become a world-class bureaucracy.

However, it is undeniable that Bureaucratic Reform did not run according to the present Grand Design Bureaucratic Reform stages. This condition can be seen from the assessment of the Ministry of Administrative Reform and Bureaucratic Reform (PANRB) which states that progress in implementing bureaucratic reform is still moving slowly because it is only an administrative formality(9). The results of the Merit System evaluation(10) from State Civil Service Commission (KASN) stated that 82.4% of provinces and 86.4% of districts/cities were in the poor and poor categories. This KASN evaluation includes eight aspects, one of which is performance management. Weaknesses in the implementation of performance management include performance appraisals that are not yet objective and there is no alignment between employee performance and work unit performance.

In an effort to improve employee performance management, the government has issued Government Regulations (Peraturan Pemerintah) 30 of 2019(11). The most important improvement in the performance management system is in terms of more objective and transparent performance appraisals and clearer rewards and punishments, both financial and non-financial. Manzoor et al., (2021) confirms the statement citing Liu et al., (2008) that the reward management system is very important for organizations or companies to attract, retain and motivate employees in achieving high performance(12).

The big influence on giving rewards to employees needs to be supported by a good reward management system, so that it will have a positive and significant effect on employee performance. The system must be able to understand how the mechanism

for awarding monetary (financial) and non-monetary (non-financial) rewards optimally (Onyekwelu, 2018)(13). Ejikeme, et.al (2020)(14) of their studies identifies the extent to which extrinsic and intrinsic rewards affect the performance of manufacturing company employees in the state of Enugu (Africa), finding that constant salary/financial rewards can improve employee performance. While allowances, money or intensive promotion will attract and retain (*retention*) employees. Employees will feel guaranteed if they are considered financially and non-financially. They will work with high productivity and strive to develop themselves professionally and achieve their performance to the top level in the organization.

2. METHODOLOGY

In an effort to improve the ASN performance management system in Indonesia, this study aims to create a model of a high-performing ASN reward system that motivates ASN to perform high which has not been regulated in Government Regulation Number 30 of 2019(11) concerning Performance Assessment of Civil Servants. This study also uses a qualitative descriptive method by mapping and developing a performance and reward system model from the Ministry of Finance, the Indonesian National Police, the Corruption Eradication Commission, State-Owned Enterprises (Telkom, PLN, and Pertamina), West Java Provincial Government, and Yogyakarta City Government. . The model described is expected to be able to answer the need for how to provide rewards in the form of financial or non-financial in the reward system for high-performing ASN.

3. LITERATURE REVIEW

3.1. Performance Management System

Many experts and practitioners of organizational performance have designed a Performance Management System that can link individual advantages with organizational advantages, even to increase individual advantages needed to increase organizational excellence. Various experts argue that the Performance Management System includes activities to identify, measure, and improve individual and group performance, as well as linking this performance with the strategic goals of the organization(15) (Aguinis, 2013, pp.2-3).

From this definition Michael Armstrong(16) (2006) in his book cites the opinion of Maning (ref) that the Performance Management System is a series of chronological and

cyclical activities consisting of: (1) Performance planning, namely determining what to do and how to do it; (2) Implementation of the performance plan, namely carrying out the work as planned; (3) Monitor, which is to carry out close supervision over what has been and is being done and measure temporary results to ensure that the expected goals and results will be achieved; and (4) Assessment, to consider what has been achieved and what is important at this stage is to determine what is needed next, whether to determine improvements or refinements. In addition to these four things, in practice the Performance Management System ends with (5) performance follow-up which can be in the form of the need to increase knowledge and skills, succession, to the provision of year-end compensation or a certain period to employees, especially in private companies.

3.2. High Performance ASN Reward System Concepts and Policies

Sastrohadiwiryono(17) (2009), Reward is a reward for offerings supplied by the company to workers, due to the fact those people have contributed energy and mind for the progress of the employer in order to achieve the goals that have been set. Reward(18) is defined as *something given in exchange for good behaviour or good work, etc* ("Rewards," [Cambridge Dictionary]). From this understanding there are two main keywords, namely something that is a reward / reward and contribution / work in the organization. With these keywords, it could be understood that there are at the least two events, specifically the recipient and the giver, the two events have an effect on every different and depend on each other. This relationship offers rise to obligations and rights between one party and another. Beneficiaries are parties who have an obligation to contribute to the organization and have the right to receive compensation for these contributions. And vice versa, the Organization as a recipient of contributions from employees has an obligation to provide rewards to employees.

Reward or compensation is very important for employees and organizations. This is shown from several opinions of Human Resource Management (HRM) experts regarding the purpose of compensation, as shown in the table below.

From the opinions of the experts mentioned above, there are four important things, namely performance rewards, fairness, motivation, obtaining and retaining quality employees. This is reinforced by several research results which show that the relationship between compensation and performance is able to motivate employees. Employees will be motivated to perform high, if compensation is given according to their needs

TABLE 1: Reward objectives according to HRM experts.

Expert / Expert	Reward / Compensation Goals
Ivancevich	Creating awards or rewards which can be felt to be fair, both from the organization or company side as well as from the employee side
Mondy et al.	Obtaining employees who meet the requirements Retaining employees who exist Guarantee justice Reward the desired behaviour Controlling costs Comply with legal regulations
Dombrun, Tichy & Devanna	Attracting and retaining employees (attraction and retention) Motivation Culture Strengthen and confirm the organizational structure Financing

Source: From various data sources

and desires. Sihotang(19) (2007), divided into two, namely financial and non-financial rewards/compensation. Meanwhile, Simamora(20) (2006) distinguishes compensation into two, namely direct and indirect.

Policy changes in employee appraisal from Government Regulation no. 46 of 2011(21) became Government Regulation No. 30 of 2019 provides a fundamental change in the performance appraisal of civil servants. One of them is the regulation regarding high-performing ASN rewards. High-performing employees according to Government Regulation No. 30 of 2019 are ASN who have a very good predicate. In accordance with the policies regulated, high-performing employees will receive rewards in the form of a priority talent pool and competency development and other awards regulated by laws and regulations. Referring to Article 41(11) paragraph 5 letter a that the predicate is very good, if the civil servant has a score of 110 (one hundred and ten) $x < 120$ (one hundred and twenty) and creates new ideas and/or new ways of improving performance that benefit the organization or the country Civil servants who show a performance appraisal with the predicate of Very Good for 2 (two) consecutive years can be prioritized to be included in the succession plan group program (talent pool) at the agency concerned. Meanwhile, civil servants who show performance appraisals with good predicates for 2 (two) years in a row can be prioritized for further competency development in accordance with the provisions of laws and regulations.

Mangkunegara(22) (2009) stated that high-performing employees have the following characteristics:

1. Have an excessive private obligation.
2. Dare to take and take risks.
3. Have realistic goals.
4. Have a thorough work plan and strive to realize its goals.

5. Utilizing concrete feedback in all work activities he does.
6. Searching out opportunities to realize the plans that have been programmed.

In The Six Traits High-Performing Employees Share Council article(23), YE (2019), defines high performers with six technical and behavioral skills including:

1. *Competent* , particularly assessing the work of employees by measuring abilities objectively.
2. *Right Intentions* is a piece way of life that respects punctuality.
3. *Dependable (Reliable)* that may be depended on to complete tasks on time.
4. *Humble* that is willing to learn new things, make an apology, accept apologies, inclined to do "low work" for the benefit of the team.
5. *Hungry* is employees take the initiative without being requested and do extra work.
6. *Smart People* are good at talking to co-workers, superiors and customers in a professional, appropriate manner and show great thinking.

4. RESULTS

Formulated on Government Regulation No. 30 of 2019, high-performing employees are entitled to rewards in the form of a priority talent pool and competency development and other awards regulated by laws and regulations. Provisions for other types of rewards are still not clearly regulated. And based on an inventory of the types of rewards received by employees at the Ministry of Finance, the Indonesian National Police, the Corruption Eradication Commission, PT. Telkom, PT. PLN, PT. Pertamina, the West Java Provincial Government and the Yogyakarta City Government can map into three parts, namely (1) **Person Rewards**, including: Employee Basic Salary, Holiday Allowances, Housing Cost Assistance, Home Facilities, Telecommunication Facilities, Work Equipment, Tax Allowances, Social Security , Health Insurance, Work Accident Insurance, Death Insurance, Work Facilities, Leave Allowances (Annual/Big, Winduan), Severance Pay and Pension Programs, and Legal Aid. (2) **Position Rewards**, including: Take Home Pay (THP), Expensive Assistance, Regional Expenses, Vehicles, Work Environment, Position Weight/Level, Position Facilities, Business Travel Facilities and Post-Work

Benefits. (3) **Performance Base Rewards**, including Production Services, Industrial Factors, Bonuses, *Mid Term Incentives, Seles Incentives, Incentives, Loans, Talent Pools, Performance Allowances, Career and Environmental Rewards, Professional advancement/Career Management (talent mobility, succession management, etc.), Fast Track Program (Career Opportunity), Formal/Non-Formal Learning, Development program (training, coaching, Great People Development/Management Program, etc.), Employee reward & recognition, Flexible Reward (Point Based Reward), Work-life Balance program, Working environment* and become professional membership.

By using qualitative descriptive methods in mapping and developing models of performance and reward systems from various government agencies and State-Owned Enterprises, namely the Ministry of Finance, the Indonesian National Police, the Corruption Eradication Commission, State-Owned Enterprises (Telkom, PLN, and Pertamina), the Government West Java Province, and the Yogyakarta City Government resulted in the Mapping of the Employee Performance Management System Model which was juxtaposed with the provisions of the reward system in Government Regulation No. 30 of 2019 concerning the assessment of Civil Servant Performance and aspects of the stages in the performance management system according to Michael Armstrong, as follows:

TABLE 2: Reward System Stage Mapping.

No	Stages (Michael Armstrong)	PP 30/ 2019	Ministry	Non Structural Institutions	BUMN			Province		POLRI
			Ministry Finance	KPK	Telkom	PLN	PERTAMINA	Yogyakarta City	West Java Province	
1.	Performance Planning	√	√	√	√	√	√	√	√	√
	a. Performance	√	√	√	√	√	√	√	√	
	b. Behavior	√	√	√	√	√	√	√	√	
2.	Implementation	√	√	√	√	√	√	√	√	√
	a. Weekly	√						√		
	b. Monthly	√	√	√	√	√	√	√	√	
	c. Annual	√	√	√	√	√	√	√	√	
3.	Monitoring	√	√	√	√	√	√	√	√	√
4.	Evaluation	√	√	√	√	√	√	√	√	
	a. Weight	√	√	√	√				√	
	b. Category	√	√	√	√				√	
5.	Follow-up	√	√	√	√	√	√	√	√	√
6.	Performance Appraisal System	√	√	√	√	√	√	√	√	√

Furthermore, a mapping of the types of rewards is generated by taking into account the overall financial and non-financial aspects of the locus of government agencies and State-Owned Enterprises, as follows:

TABLE 3: Reward Type Mapping.

Type	Person Rewards	Position Reward	Performance Reward	Base Reward
	Salary / Salary	Regional Expensive Allowance	Incentive Performance Allowance / Bonus	/
	Holiday allowance	Positional allowance		
	Annual Leave Allowance / Large, Winduan (every eight years), Severance pay			
	Work Accident or Death Insurance			
	Housing Fee Assistance	Position Vehicle	Loan Ease	
	Tax Allowance			
	Social Security			
	Health insurance			
	Retirement Program			
	Facilities, telecommunication, work environment and work environment	Position Facilities	Talent Pool / Fast Track Program (Career Opportunity)	
	Legal Aid	Business Travel Facilities	Development programs (scholarship, training, coaching, GPD/MP, etc.),	
		Post Work Benefits	Flexible Reward	
			Rotation / Job Enrichment/ Talent Mobility	
			Work-life Balance programs	

Based on the results of the mapping of the performance management system and the types of rewards from the locus of government agencies and State-Owned Enterprises, the concept of giving rewards for high-performing ASN employees was developed, which could be given from a financial and non-financial perspective, as follows:

5. CONCLUSIONS

In realizing the effective implementation of the reward system for high-performing ASN, it is recommended to develop a holistic and integrated employee performance management system with the personnel system, talent management system, competency

TABLE 4: Reward System Model for High-Performing State Civil Apparatus (ASN).

Reward Type		High Performance Level (Above Expectations)		
		Very Good Predicate	Good Predicate	
Non-Financial	Talent Pool / Promotion / Fast Track Institutional or national			
	Competency Development Priority (scholarship, training, coaching, GPD/MP, etc.),			
	Talent Mobility / Rotation / Job Enrichment			
	Work / Life Programs (WAP, EVP, Olimpiakom, etc.)			
	Flexible Reward (Point Based Reward)			
	Financial	Incentives / Performance Allowances / Bonuses / Production Services		
	Loan Ease			

development system, attendance system and so forth. On this study, recommending priority policies and actions that need to be taken immediately is the method of awarding high-performing ASNs . The assumption is that the awards received are not only financial but also non-financial, taking into account the high performance of employees which will be included in the components of calculating performance and salaries (according to the Draft Government Regulation on Salary, Benefits and facilities). In addition, it would be better, in the post-covid-19 era, giving rewards with a model like this, will support the acceleration of the realization of the implementation of performance management in the Indonesian ASN environment which is also supported by the acceleration of the application of an integrated, effective and efficient employee performance management information system.

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CONFLICT OF INTEREST

The authors have no conflicts of interest.

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