

Implementation of Remuneration Policy in Higher Education

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Abstract—The purpose of this study is to describe and analyze the implementation of remuneration policy in the Department of Public Administration Universitas Brawijaya. Descriptive qualitative approach was used using interviews, observation and documentation analysis. Data were analyzed using Strauss and Corbin grounded theory approach; open coding, axial coding and selective coding. The results indicate that the implementation of remuneration policy in the faculty does not significantly affect employees' salary as well as improve employee performance. This study identifies communication barriers and uncertainty of information are the main factors of the policy failure.

Keywords—implementation; remuneration; higher education

I. INTRODUCTION

Remuneration policy is key element of pay for performance. It is often implemented to improve motivation and discipline of employees in an organizational environment. This policy is conducted by providing employee income including salary, inherent allowance, meal allowance, structural office allowances, additional salary and incentives. Its function is as a stimulant of job satisfaction and work motivation.

Indonesia's higher education has implemented privatization in the last five years. The policy has been implemented by delegating more authority for state universities in managing their institution, including implementing pay based performance or remuneration policy. Universitas Brawijaya is one of state universities that currently implement remuneration policy as a part of university privatization.

Using policy implementation approach, this study tries to examine the effectiveness of remuneration policy in Universitas Brawijaya in the recent years. Grindle highlights that public policy as an effort to find solutions to various public problems including issues relating to the performance of employees in the university environment will not mean anything if it is not followed by the implementation of these public policies [1]. There are three factors why a policy does not achieve the results as expected. These three factors are bad policy, bad implementation, and bad luck. In the context of bad implementation there are several factors that cause it, namely financial constraints, human resources, lack of coordination, lack of standard operating procedures, complexity of the

problems to be resolved, and due to policy objectives that are not well formulated.

II. METHODS

Qualitative method was used by applying a grounded theory approach from Strauss and Corbin [2]. Data were gathered through in-depth interviews with key stakeholders in the university, observation and documentation. Data were analyzed by following steps: open coding, axial coding and selective coding.

III. RESULTS

Remuneration policy does not have an effect employee salaries. This policy has not had a significant impact on improving employee performance. This study shows key barriers of the implementation of remuneration policy at the Faculty of Administrative Sciences Universitas Brawijaya.

First, inconsistency of the policy. For example, relating to policies regarding the calculation of points or calculation of performance for lecturers and administrative staffs. Secondly, inconsistencies in information about remuneration. This occurs due to differences in interpretation of remuneration policies among stakeholders. Third, there are still doubts in determining each activity whether an activity can be categorized as an activity that earns points (entered in the calculation of remuneration) or coins (directly paid) or does not enter points or coins. Fourth, the budget used in the implementation of remuneration policy at Universitas Brawijaya, including in the Faculty of Administrative Sciences, University of Brawijaya, comes from funds originating from Non-Tax State Revenues.

Fifth, the implementation of remuneration policy in the Faculty of Administrative Sciences are not fully supported by all stakeholders. There are some managers who are rather half-hearted in supporting this policy. Usually this half commitment is mostly due to doubts whether this remuneration policy can indeed increase income.

Sixth, the bureaucratic structure relates to the suitability of organizations that are the organizers of policy implementation. In the implementation of remuneration policy at the Faculty of Administrative Sciences, there are standard operating procedures, especially those relating to performance calculation

and measurement. The stage of calculation and measurement of performance starts from data input carried out by the operator.

IV. DISCUSSION

According to Dye public policy is whatever the government chooses to do or not to do [3]. Edwards and Sharkansky states public policy is what the government says and do, or do not do [4]. It is the goals or purpose of government programs. To implement means to provide practical effects to, seen as a process of implementing decisions or policies (usually in the form of laws, government regulations, judicial decisions, government. Hence, the concept of policy implementation is essentially carried out by administrative units or bureaucratic units at each level of government.

The results of this study are in line with well-known Edward III implementation approach which highlight key success factors of policy implementation (i.e. communication, coordination, disposition, bureaucratic structure) [5]. This study highlights that inconsistency of communication, poor coordination, unclear disposition and bureaucratic structure are key barriers of remuneration policy in the institution.

V. CONCLUSION

This study concludes that the implementation of remuneration policy in the Faculty of Administrative Sciences Universitas Brawijaya has no significant effect on employee salaries and employee performance. Inconsistency of communication, poor coordination, unclear disposition and bureaucratic structure are key barriers of remuneration policy in the institution are the key barriers of remuneration policy to achieve the aim.

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