



Green Management-Based Performance Allowance on Work Discipline and Employee Performance

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Abstract. This study aims to analyze the effect of work discipline and employee performance based on Green Management on the performance allowance policy system. This study uses a quantitative design with a survey approach to analyze the effect of work discipline and employee performance based on Green Management on the performance allowance policy system. Along with the increase in quality human resources, it is necessary to understand the factors that influence success, namely the performance allowance system, work discipline, and employee performance. The research method used is a survey by distributing questionnaires to respondents, namely employees of Hasanuddin University. The data obtained were analyzed using multiple linear regression to identify the effect of the Green Management-based performance allowance system on work discipline and employee performance. The results showed that work discipline had a significant positive effect on the performance allowance of Hasanuddin University employees, this is based on the regression coefficient obtained of 0.035 ($p < 0.05$). And employee performance has a significant positive effect on the performance allowance policy of Hasanuddin University employees, this is based on the regression coefficient obtained of 0.045 ($p < 0.05$).

Keywords: Performance Allowance, Green Management, Work Discipline, and Employee Performance.

1 Introduction

Regulation of the Minister of State for the Environment Number 11 of 2006 about Types of Business Plans and/or Activities that Must Be Equipped with an Environmental Impact Analysis contains the environmental policy that the Indonesian government has released. Based on this regulation, companies are required to make policies that are oriented towards the environment or green management [1]. Currently, several organizations or companies have implemented Green Management as an effort to ensure the sustainability of the organization or company. Regarding the current unbalanced condition of the earth, this can be overcome by environmental management. Based on this, it can start from the responsibility of humans as inhabitants of the earth in managing and utilizing the use of everyday products. Public awareness can arise through various campaigns carried out by organizations or companies about activities ranging from services, production to the provision of

environmentally friendly products. Organizations or companies are starting to use strategies related to the environment as an important aspect starting from humans.

Employee performance has a significant impact on other aspects of a government agency's life cycle, making human resources a crucial component. Therefore, government agencies must be able to provide motivation that can encourage their work enthusiasm. Providing employee performance allowances is one of the most important things in order to improve their performance, because by paying attention to this, the government indirectly provides moral encouragement to employees in carrying out their duties, It is anticipated that all employees will enhance their professionalism and work ethic in the execution of tasks along with the goals of bureaucratic reform. [2]. The existence of employees in an institution/agency plays a very important role, every government and private institution really needs the role of employees/employees in achieving the goals of their agency. The attainment of these objectives relies on the dependability and competence of employees in managing the work units within the institution or agency according to their assigned responsibilities and roles. Therefore, employees are required to continue to improve their performance in order to be able to answer all possibilities that occur and be able to adapt to advances in science and technology (their abilities need to be developed) [3]. In order for employee work discipline and performance to be improved, it is expected that work efficiency can be increased, and have an impact on increasing productivity. So that by increasing work productivity, the fulfillment of physical needs will be increasingly guaranteed and even increased.

Performance allowance is one type of Civil Servant (PNS) expenditure that has different characteristics when compared to other types of employee expenditure, namely that there is an element of employee performance in its calculation. The history of Indonesian bureaucratic reform has given birth to a performance allowance policy system (pay for performance) as a replacement for the old remuneration system (pay for person), with the Ministry of Finance as a pioneer that has implemented a performance allowance remuneration system since 2011. In its development, there have been several changes to the performance allowance policy, until finally Presidential Regulation Number 156 of 2014 was issued which mandated that the policy of providing performance allowances to PNS of the Ministry of Finance be carried out in order to improve employee performance. A PNS has the responsibility, duties, and functions to serve the community or public, so that the assessment of a PNS' performance is closely related to the level of perception of user satisfaction with the service. If public service users feel maximum satisfaction, it can certainly be said that the PNS has good performance. In 2020, a public perception survey on satisfaction with service performance was conducted by the Directorate General of Fiscal Balance (DJPK), which is an echelon I work unit of the Ministry of Finance [4]

Performance describes how successfully or unsuccessfully the organization's primary responsibilities and functions are implemented in order to realize its purposes, goals, and ambitions. An organization should consider a number of elements that can impact organizational success while assessing its performance. According to [5], The following are some of the elements that influence organizational performance: Individual or personal factors, leadership factors, team factors, system factors, and contextual (situational) elements are the first five categories. [6].

Another determining factor in efforts to improve organizational performance is employee work discipline. Every employee needs to be taught the importance of work discipline. To adhere to relevant regulations, employees must be informed of them. Regulations are essential for giving staff direction and counseling in order to maintain order in a company or agency. The agency itself must also make sure that the rules are understandable, unambiguous, and applicable to every employee [7]. Related to the explanation above, the performance allowance policy, work discipline, and employee performance are three key factors for success in advancing better human resources.

2 Literature Review

2.1 Green Management Concept.

The concept of Green Management does have a slightly different meaning from the concept of conventional management. The concept of Green Management was basically developed from a concept that wanted to deviate from the classical economic paradigm that categorizes goods in the world. The classical economic school has categorized goods in the world into two large parts, namely free goods and goods that have economic value. Free goods such as oceans, rivers, forests, fish in the sea, or air give everyone the freedom to exploit them because there are no individual rights to them (common property), unlike economic goods where these goods cannot be treated like that. The categorization of the existence of these free goods has actually been very detrimental to the interests of the economy itself, because over time there has been excessive exploitation of free goods (which are generally in the natural environment) which tends to damage them. Green management is an organizational awareness of the relationship between policies and activities carried out by the organization and their impact on the environment [6]. Green Management is not a concept that describes a new business management style but describes the process of business industrialization. Green Management is a strategy that generates profits [7].

In every company activity, environmental factors that were originally considered as free goods and external costs (outside the company's cost structure) must be taken into account in the production cost factors of every company activity. By including environmental factors in the cost structure, environmental damage can be further suppressed and this means indirectly saving natural resources as capital for the economic activity itself. To get there, of course, an effort/mechanism is needed to realize it steadily, then a management mechanism is used which in its implementation includes environmental factors in its part and this management is then known as Green Management [8].

2.2 Performance Allowance Concept.

Currently, civil servants in Indonesia have used a remuneration system in their performance assessment. This is related to the salary given to the employee. The principle of remuneration in question is the provision of performance allowances to

employees based on their position and job category. The civil servant remuneration system must adopt a merit system, namely the determination of the amount of performance allowances must be based on the performance, work weight, and rank (grade) of each position. The value and job category are used to determine a fair and appropriate salary according to the workload and responsibility of the position. The value and job category are obtained or determined through a process called job evaluation which will be used in providing allowances [2]. Performance allowances are one form of bonus given to Civil Servants (PNS) as a result of their ability to implement bureaucratic reform. There is a strong relationship between performance allowances and welfare, where this mechanism rewards employees based on the work results they achieve. The employee performance-based compensation system is implemented fairly and in accordance with employment provisions, with the hope of increasing creativity and ensuring employee security. Departments or sections that receive bonuses related to work results must achieve structural capacity in implementing employee work targets (TKP) [9].

Performance allowances or salaries according to Wattimury [10] can provide additional income for each employee so that they can focus more on doing their jobs. Performance allowances are aimed at improving employee performance and productivity. According to Najoan et al. (in Irwamawi, 2019:12) performance allowances are improving employee welfare and morale through performance allowances, namely awards given to employees in the form of additional money for their work. The purpose of performance allowances for government agencies is to increase the number of public services provided based on individual employee performance assessments. The additional money given to these employees aims to provide performance allowances to encourage employees to form their own behavior in order to improve less effective behavior.

Benefits are a type of indirect pay that an employee or group of employees receives as part of their membership in an organization. Benefits have an impact on workers' choices on which employer to work for, whether to stay or quit, and when to retire. [11].

According to Arep and Tanjung [12] allowances are the provision of benefits or other benefits to workers outside of the agreed-upon pay or wages, which may be expressed in cash or merchandise. Offering a higher income than the base pay may be accomplished through incentives. Employees can be motivated to work to their best potential by using incentives, which are meant to be extra money on top of their fixed compensation or wages.

The guidelines that can be used are based on the assumption that employees are not just factors of production, but also assets. Therefore, employees must be viewed as whole human beings. Employees as humans have various complex needs. Abraham Maslow said that these needs can be physical, security, social, recognition, and self-actualization.

2.3 Concept of Work Discipline.

Discipline means that someone who is present is willing to follow the rules that apply in the organization without any coercion. Sinambela [13] emphasized that the purpose of discipline is to educate workers to obey the rules, procedures, and policies

in order to work well. Employee productivity will increase along with their level of discipline. Discipline in the work environment is demonstrated by employees who arrive on time and have responsibility for the work given. The application of discipline can help employees learn to obey the rules, guidelines, and policies that apply in order to work well. The more disciplined employees are, the more productive their work will be. Work discipline reflects employees coming and going home on time and showing personal responsibility for their work [14]. Discipline in the work environment plays an important role in maintaining the smooth operation of the company. According to Rivai Veithzal [15], discipline is a way for leaders to interact with their employees, with the aim of motivating employees to obey the rules and improve their personal character. In this context, discipline also plays an important role in ensuring that company policies are implemented and do not violate the basic concepts and prevailing social norms. The HR department has a great responsibility in managing work discipline. Iskandar Ali Alam, and Lidya Tasya Monica [16] stated that discipline is the most important operational function of the HR department. By implementing discipline consistently and fairly towards employees, companies can significantly improve performance. When employees are faced with strict disciplinary demands, they tend to maintain work quality, comply with regulations, and make greater contributions to the company. Effective implementation of discipline also helps create a productive and harmonious work environment. With clear regulations and firm consequences for violations, employees will feel safer and more motivated to work with focus and full responsibility. Good discipline also plays a role in reducing the potential for conflict and increasing cooperation between employees, thus creating a positive and mutually supportive work atmosphere. In conclusion, work discipline is not only about monitoring and enforcing rules, but also an important strategy in optimizing employee performance and maintaining the integrity of the company. By implementing discipline appropriately and consistently, companies can achieve higher levels of performance and create a professional and efficient work culture.

2.4 Employee Performance Concept.

According to Marwansyah [17] Performance is the outcome or accomplishment attained by an individual in connection with the responsibilities assigned to them. Performance, according to Gani [18], is the outcome of an employee's efforts toward the company where they are employed. Whether an organization is profit-oriented or non-profit, performance is the outcome that it produces over a specific time period. Performance describes the degree to which an activity achieves the company's mission and vision as outlined in its strategic planning, and performance within the organization is regarded as the group's overall effectiveness in meeting its needs related to increasing capability. [19]

According to Sukmawati [20] performance affects how much a person contributes to the organization, including output quantity, output quality, output period, work attendance, and cooperative attitude as well as the level of achievement of a person's achievements in an organization that can increase productivity. According to Kaswan [21] factors that affect performance include motivation, work ethic, job design, coworkers and support from the organization which includes training and development. Organizational factors like work type and leadership style,

psychological factors like attitude and conduct, and individual factors like mentality, experience, and background can all have an impact on performance. The organization's standards serve as the basis for measuring employee performance. According to Mondy & Noe in Juni, there are multiple ways to view and implement performance measurement, including:

1. Work volume;
2. Work quality;
3. Independence (dependability)
4. Proactiveness
5. Flexibility [22]

3 Research methods

3.1 Research Design

This study uses a quantitative design with a survey approach to analyze the influence of work discipline and employee performance based on Green Management on the performance allowance policy system. By using this approach, the collected data can be analyzed statistically to identify the relationship between the variables studied.

3.2 Population and Sample

This study used objects, namely employees of Hasanuddin University aged 35-56 years. The sample was taken using the purposive sampling method, namely the researcher selected respondents who met certain criteria, namely those who had the status of employees at Hasanuddin University. The number of samples targeted was 12 respondents.

3.3 Data collection

Data collection was carried out using a questionnaire which included:

- **Performance Allowance Policy:** Questions include performance allowance policies based on Green Management, Performance allowances in my company/agency are given based on achieving predetermined targets, engaging in environmentally friendly activities in the workplace, raising awareness of the importance of sustainability, and providing transparent and easy-to-understand performance allowances.
- **Work Discipline:** This includes always arriving on time after implementing the Green Management-based benefits policy, being consistent in complying with company/agency regulations, being more organized in completing daily tasks, being more disciplined in using resources (e.g. manpower, paper), and supervision of work discipline increases after this policy is implemented.

- **Employee Performance:** Questions include Work productivity, enthusiasm in completing work, support for environmentally friendly policies, being appreciated and recognized for performance benefit policies, and members being more motivated by these policies.

The questionnaire will be distributed online and offline to selected respondents. Before the questionnaire is distributed, a trial is conducted to ensure the validity and reliability of the research instrument.

3.4 Data analysis

The data obtained will be analyzed using multiple linear regression techniques to identify the effect of the Green Management-based performance allowance policy system on work discipline and employee performance. This analysis allows researchers to determine the extent to which each independent variable contributes to the dependent variable.

3.5 Hypothesis Testing

The hypothesis in this study will be tested using the p-value and coefficient of determination (R^2). If the p-value < 0.05 , then the hypothesis stating that there is a significant influence between the independent and dependent variables will be accepted.

3.6 Research Ethics

This research was conducted while still paying attention to ethical principles in research, for example paying attention to the confidentiality of respondent data to obtain consent regarding information during data collection. Before conducting interviews with respondents, respondents were first given information about the purpose of the research and their rights when participating in the interview.

4 Results and Discussion

4.1 Research result

Based on the results of data analysis using multiple linear regression, the following results were obtained:

- **Work Discipline:** The regression coefficient obtained is 0.35 ($p < 0.05$), this means that work discipline has a significant positive influence on employee performance allowances at Hasanuddin University. This means that employees will apply discipline while working, which will have an impact on the employee performance allowance system.

- Employee performance: The regression coefficient obtained is 0.45 ($p < 0.05$), meaning that employee performance has a significant positive influence on employee performance benefit policies. This means that good work performance will have an impact on the employee performance benefit system.

4.2 Discussion

The study's findings indicate that the significance value (sig) of 0.035 is less than the alpha (α) of 0.05. This indicates that Hasanuddin University employees' performance allowances are impacted by their work discipline. Employees that practice work discipline are more likely to be on time and do tasks as intended or better. Along with these benefits, workers who follow their bosses' directions can also perform better or accomplish more. This result is consistent with Ningsih's research [23], which found that employee performance allowances are significantly and favorably impacted by work discipline. The study conducted by Muthi'ah et al. [24] discovered that East Jakarta City Satpol PP employees' performance allowances are positively and significantly impacted by work discipline. In order to improve the performance of the DKI Jakarta Provincial Government Satpol PP, this study suggests that work discipline be strengthened. Suarniti [25] came to the similar conclusion, namely that PDAM Klungkung Regency employees' performance allowances are positively impacted by work discipline.

Employee performance then influences Hasanuddin University employees' performance. This is due to the fact that employee performance encompasses comprehension and expertise in completing duties. Workers are more likely to complete activities successfully and efficiently if their performance is tied to the tasks they are performing. This result supports the findings of Heliansah, Senen Mustakim, and Junaidi's study, which found that performance is significantly impacted by work discipline and performance allowances.

5 Conclusion

The following conclusions can be made in light of the research findings and discussion:

- The regression coefficient of 0.35 ($p < 0.05$) indicates that work discipline significantly improves Hasanuddin University employees' performance.
- According to the regression coefficient, which was found to be 0.45 ($p < 0.05$), employee performance significantly improves Hasanuddin University's employee performance policy.

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