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Influence of Work From Home Policies and Performance Allowance on Employee Performance at The Directorate General of Administration of The Ministry of Home Affairs Indonesia



Azis Hakim¹, Iwan Kurniawan Subagja²

^{1,2}Universitas Krisnadwipayana Jakarta, Indonesia

ABSTRACT: The purpose of this study was to determine how much influence the Work from home policy and performance allowances jointly on the performance of employees at the Directorate General of Regional Administration of the Ministry of Home Affairs. The research method used survey techniques with quantitative and correlational approaches with simple random sampling techniques. In this study, the sample size was 73 respondents.

Based on the results of the research that has been done, it can be concluded that: (1) From the results of the study, it is found that the Work from home policy variable has a positive, strong and significant effect on employee performance. The performance allowance variable has a positive, strong and significant effect on employee performance. Work from home policy variables and performance allowances has a positive, strong and significant effect on employee performance.

KEYWORDS: Work from Home Policy, Performance Allowance and Employee Performance

I. INTRODUCTION

The spread of the Coronavirus that has entered Indonesia is getting bigger, urging the central and local governments to take preventive steps to break the chain of Corona transmission. One way is to implement a work from home (WFH) policy. This Policy follows the determination of the World Health Organization (WHO) as a global pandemic.

Based on a Presidential Instruction, the Ministry of State Apparatus Empowerment and Bureaucratic Reform (PAN-RB) conveyed a national policy regarding adjustments to the work system of the State Civil Apparatus during the outbreak of the Covid-19 case as a guideline for government agencies. This Policy is contained in the Circular of the Minister of PAN-RB Number 19 of 2020 concerning Adjustments to the Work System of the State Civil Apparatus (ASN) in the Covid-19 Prevention Efforts within Government Agencies, which are intended as guidelines for Government Agencies in carrying out official duties by working from home. Work from Home for the State Civil Apparatus to prevent and minimize the spread of Covid-19.

This Circular Letter aims to prevent and minimize the spread, as well as reduce the risk of Covid-19 within Government Agencies in particular and the wider community in general, ensuring that the implementation of the duties and functions of each government agency can run effectively to achieve the performance of each organizational unit at Government Agencies, and ensure that the implementation of public services in Government Agencies can continue to be served and run effectively.

This is also stated in the Decree of the Head of the National Disaster Management Agency Number 13.A of 2020 concerning the Extension of the Status of Certain Disaster Outbreaks of Corona Virus in Indonesia. Following up on the Presidential Instruction and the situation that continues to develop related to the spread of Covid-19, the Indonesian Ministry of Law and Human Rights has taken various related policies, including issuing a Circular of the Secretary-General of the Ministry of Law and Human Rights of the Republic of Indonesia Number: SEK.03.-OT.02.02 the Year 2020 dated 16 March 2020 which contains a work from home policy for employees within the Ministry of Law and Human Rights of the Republic of Indonesia (Kemenkumham) since 16 March 2020 and work alternately according to the official schedule approved by the Personnel Development Officer of each unit work to reduce the risk of transmission of the Coronavirus.

In line with that, the Minister of Law and Human Rights, through the Secretary-General of the Ministry of Law and Human Rights of the Republic of Indonesia, also issued the following Circular Number: SEK-04.OT.02.02 the Year 2020 concerning the

Temporary Cessation of Office Activities in the Context of Preventing the Spread of Corona Virus Disease Outbreaks (Covid-19) within the Ministry of Law and Human Rights.

As part of a government agency, the Directorate General of Regional Administration of the Ministry of Home Affairs has also implemented Work from Home since the beginning of March 2020. The implementation of work activities in each work unit in the Directorate General of Regional Administration Development every day is with each section and field reporting. Their respective activities, whether they are Work from Home or who serve in the office.

Working from home or Work from Home certainly has the same obligations and responsibilities as working from the office. However, in practice, the implementation of Work from Home has challenges and obstacles that are not easy because not all work areas can be done from home. Many factors can affect the implementation of Work from Home, which can directly affect employee performance, such as completeness of work tool applications, communication, lack of coordination, disruption of the environment at home, etc. For this reason, a certain strategy is needed to anticipate and overcome existing obstacles.

The Work from Home policy also indirectly affects the provision of performance allowances for employees. This is related to the incomplete employee attendance rate during this pandemic. The calculation of the condition of performance allowances to be incompatible with the provision of salaries for the State Civil Apparatus is also deducted so that it is burdensome for the economic life of the employees and can affect the level of performance of the employees concerned.

Among the obstacles that occurred during the Corona pandemic were the low job performance of employees; the Work from Home policy implements work activities less optimal; low employee motivation because the Work from a Home policy is not accompanied by awards for employees who achieve work targets; limited work facilities and infrastructure for employees; obstruction of work coordination between units in the organization; difficulty in using work applications; the emergence of work stress due to higher job demands.

II. LITERATURE REVIEW

A. Work From Home Policy

Policy in the Big Indonesian Dictionary is a series of concepts and principles that form the outline and basis of a plan to implement a job in achieving goals or objectives. Etymologically, Dunn (2000: 51-52) explains that the term policy comes from Greek, Sanskrit and Latin. In Greek, Policy is called polis which means "city-state," and in Sanskrit, it is called pur which means "city," and in Latin, it is called politia, which means state.

Several scientists explain various kinds of policies, including Friedrich in Indiahono (2009: 18), which states that: "Policy is a direction of action proposed by a person, group or government in a certain environment that provides obstacles and opportunities for policies proposed to use and overcome in order to achieve a goal, or the realization of a particular goal or purpose."

According to Abidin (2004: 30-31), policies are generally divided into 3 (three) levels:

- 1) General policies, namely policies that serve as guidelines or implementation guidelines, whether positive or negative, covering the entire region or agency concerned.
- 2) An implementation policy is a policy that describes general policies. At the central level, government regulations on the implementation of a law.
- 3) Technical policies, namely operational policies that are under implementation policies.

In general, policies are written rules that are formal organizational decisions binding on members associated with the organization, which can regulate behavior to create new values in society. In contrast to laws and regulations, policies are only a guide for action and do not force them like the law. Although policies regulate what can be done and what cannot be done, policies are only adaptive and interpretive. Policies are generally problem-solving in nature and are expected to be general, but without eliminating the local characteristics of an organization or institution, in other words, policies must provide an opportunity to be interpreted according to existing conditions.

Work from home is a term working remotely, more precisely working from home. So workers do not need to come to the office face to face with other workers. Work from home is familiar to freelancers, but they often call it remote working or remote working. Work from home and remote working is no different, only in terms; the only difference is the organization's rules. Some apply regular working hours from 8 am to 4 pm or free working hours as long as the Work is done and communication is always fast response.

According to Crosbie & Moore (2004: 21), working from home means paid Work done primarily from home (at least 20 hours per week). Working from home will provide flexible time for workers to provide a balance of life for employees. On the other hand, it also provides benefits for the company.

Based on the theoretical description above, it can be concluded that the Work from home policy is an effort or action to influence the system to achieve the desired goals with strategic, long-term and comprehensive efforts and actions through the Work from home policy, with indicators: 1) low cost, 2) flexible at work, 3) increased work productivity, 4) increased job satisfaction, 5) work-life balance, and 6) avoid disturbances in the work environment.

B. Performance Allowance

Performance allowances are given based on the performance achieved by an employee. Based on the attachment in the Regulation of the Minister for Administrative Reform and Bureaucratic Reform Number 63 of 2011 concerning Guidelines for Structuring the Performance Allowance System for Civil Servants, it is explained that performance allowances are allowances given to civil servants which are a function of the successful implementation of bureaucratic reform and are based on the performance of these civil servants, which is in line with the performance of the organization where the civil servant works.

Performance allowances or remuneration can provide additional income to each employee to concentrate more on their Work. The remuneration system for every employee is part of the bureaucratic reforms implemented by the government. Some experts argue that the terms remuneration and compensation are the same. The only difference is the placement of these two words. In Indonesia, this term began to be commonly known by the general public when there was a bureaucratic reform program, one of which was implementing remuneration. Its existence in an organization cannot be ignored because it will be directly related to achieving goals.

Employee benefits are payments and services that protect and supplement the base salary, and the organization pays all or part of the benefits. The main effect of this type of compensation allowance is the long-term retention of employees in the organization. There is little or no evidence that the enormous variety of additional programs, often termed equipment allowances, motivates employees toward higher productivity.

According to Hasibuan (2012: 41), benefits and services are "additional compensation, both financial and non-financial, which is given based on the policies of all employees in an effort to improve their welfare." According to Suharto (2003: 12), the definition of allowances is additional income outside of salary as support for assistance. Suharto further stated that allowances could be said to be the implementation of social security.

Based on the opinions of the experts above, it can be synthesized that the performance allowance is an allowance given to employees as compensation for implementing the bureaucratic reform plan based on the performance achieved by an employee, with indicators including 1) salary, 2) incentives, 3) insurance and 4) facilities.

C. Employee Performance

Etymologically, performance comes from the word work performance or performance. Mangkunegara (2005: 67) argues that the term performance comes from the word job performance or actual performance, namely the quality and quantity of Work achieved by an employee in carrying out his duties following the responsibilities assigned to him.

Furthermore, Mangkunegara (2005: 75) states that performance can be divided into two, namely individual performance and organizational performance. Individual performance results from individual Work both in terms of quality and quantity based on predetermined work standards, while organizational performance is a combination of individual performance with group performance.

Employee performance is the Work that can be achieved by a person or group of people in an organization, following their respective authority and responsibility to achieve the goals of the organization concerned legally, does not violate the law, and is in accordance with morals and ethics (Mathis and Jackson, 2009). : 113). The same thing is said by Ruky (2001: 12), which states that performance is a way of measuring the contribution of individuals/employees to the organization they work for.

Bernardin and Russel (2000: 239) provide an understanding of performance to record the resulting outcomes in a specific work function or activity during a certain period. According to Wood et al. (2001: 114), performance is a concise measurement of the quantity and quality of the contribution of tasks performed by individuals or groups to work for units or organizations.

Performance is the activities and results that can be achieved or continued by a person or group of people in carrying out their duties, work well, meaning that they achieve the goals or work standards that have been set before or can even exceed the standards set by the organization in a certain period (Handoko, 2000: 135).

Based on several opinions about employee performance, it can be concluded that performance is the Work achieved by an employee in carrying out his duties following the responsibilities assigned to him, with indicators, including 1) quantity of work, 2) quality of work, 3) work knowledge, 4) creativity, 5) cooperation, 6) interdependence, 7) initiative, and 8) self-quality.

III. RESEARCH METHODS

A. Research Design

In this study, a survey research method with a quantitative and correlational approach was used to see how much influence the independent variables had on the dependent variable. The research was conducted on a group of Directorate General of Regional Administration of the Ministry of Home Affairs. Through this method, the authors hope to examine specific aspects of a social situation in depth, in this case, the influence of Work from home policies and performance allowances on employee performance. The weakness of this research method is because it studies specific aspects, so the possibility to achieve generalizations is minimal.

Meanwhile, to examine the influence between variables, the writer will use a correlative approach or the associative method. Sugiyono (2014: 11) states that the associative method is a research method that seeks to find the influence of one variable on another variable. The causality and correlative approaches mean that this study is designed to determine different research variables, namely the independent variable on the dependent variable. This approach is not only to provide a description of a variable but also includes testing the effect of the independent variable on the dependent variable and the magnitude of the direction of influence understudy.

B. Population and Sample

According to Sugiyono (2014: 90), in general, the population is meant as a part of the generalization area consisting of objects/subjects that have certain qualities and characteristics. Furthermore, Creswell (2013: 151) states, "a population is a group of individuals who have the same characteristic," meaning that a population is a group of individuals who have similar characteristics. The population in this study were all employees at the Directorate General of Regional Administration of the Ministry of Home Affairs, totaling 267 people.

Sugiyono (2014: 91) states that the sample is part of the number and characteristics of the population. Suppose the population is large and it is impossible for the author to study everything in the population due to limited funds, energy, and time. In that case, the author can use a sample taken from that population. What is learned from the sample, the conclusions will apply to the population. For this reason, the sample taken from the population must be truly representative.

The sampling technique is a sampling technique. To determine the sample to be used in the study, various sampling techniques were used. In this study, the technique of determining the number of samples used a simple random sampling technique. This method is carried out when members of the population are considered homogeneous because the representative sample or the sample is taken randomly. Sugiyono (2014: 101). The number of samples of respondents in this study was 73 respondents regardless of strata.

C. Data Collection and Processing Techniques

Data collection techniques can use primary and secondary sources, data which can be explained as follows:

- Primary Source. Primary sources were collected through a questionnaire, namely, the data collection technique was carried
 out by giving a set of questions or written statements to the respondent to answer. In this questionnaire, the authors use a
 structured list of statements (questionnaire) which contains 12 statements of Work from home policy variables, 12
 statements of performance allowance and 12 employee performance variables.
- 2. Secondary Sources. Secondary sources are data obtained from organizational records and literature as well as observations that are already related to this research topic. The measurement used in this study is a type of Likert scale, which is the variable to be measured, translated into sub-variables and into measurable components.

D. Method of Analysis

Sugiyono (2014: 141) states that the data validity test in research is often only emphasized on the validity and reliability tests. In quantitative analysis, the main criteria for research data are valid, reliable and objective. Validity is the degree of accuracy between data that occurs on the object of research and data reported by the researcher. In this study, the data analysis used regression analysis.

IV. RESEARCH RESULT

1) The Effect of Work from Home Policy (X1) on Employee Performance (Y)

To calculate the correlation value between the Work from a home policy on employee performance at the Directorate General of Regional Administration of the Ministry of Home Affairs, the calculation result is 0.722. This shows that the Work from home policy variable has a positive and strong influence on employee performance.

To find out the contribution of the influence of the Work from home policy variable on employee performance, it can be seen that the Work from home policy variable has an impact of 52.2% on employee performance. In comparison, the remaining 47.8% is influenced by other factors outside of research.

To determine the direction of the relationship between Work from home policy variables and employee performance variables whether positive or negative and to predict the value of employee performance variables if the Work from home policy variable value increases or decreases, the regression equation is as follows:

 $\hat{Y} = a + bX_1$

 $\hat{Y} = 13,813 + 0,718X_1$

These numbers can be interpreted as follows:

- a. Constant 13,813; This means that if the Work from home policy (X1) is 0, then the employee's performance (Y) is positive, which is 13,813
- b. The regression coefficient for the Work from home policy variable (X1) is 0.718; This means that if the Work from home (X1) policy increases by 1 unit, then employee performance (Y) will increase by 0.718 units. The coefficient is positive, meaning that there is a unidirectional relationship between the Work from home policy and the employee's performance, the more precisely the Work from home policy is implemented, the employee performance will increase.

2) The Effect of Performance Allowances (X2) on Employee Performance (Y)

To calculate the correlation value between the performance allowance on the performance of employees at the Directorate General of Regional Administration of the Ministry of Home Affairs, the calculation result is 0.699. This shows that the performance allowance variable has a positive and strong influence on employee performance.

To find out the contribution of the influence of the performance allowance variable on employee performance, it is found that the performance allowance variable has an influence contribution of 48.8% on employee performance, while other factors outside the study influence the remaining 51.2%.

To find out the direction of the relationship between the performance allowance variable and the employee performance variable whether positive or negative and to predict the value of the employee performance variable if the value of the performance allowance variable increases or decreases, the regression equation is as follows:

 $\hat{Y} = a + b X_2$

 $\hat{Y} = 13,983 + 0,703X_2$

These numbers can be interpreted as follows:

- a. The constant is 13,983; This means that if the performance allowance (X2) is 0, then the employee's performance (Y) is positive, which is 13,983.
- b. Performance allowance variable regression coefficient (X2) of 0.703; This means that if the performance allowance (X2) increases by 1 unit, then the employee's performance (Y) will increase by 0.703 units. The coefficient is positive, meaning that there is a unidirectional relationship between performance allowances and employee performance, the higher the value of the performance allowance, the employee's performance will increase.

3) Effect of Work from Home Policy (X1) and Performance Allowances (X2) on Employee Performance (Y)

To calculate the correlation value between the Work from home policy and the performance allowance together on the performance of employees at the Directorate General of Regional Administration of the Ministry of Home Affairs, the calculation result is 0.755. This shows that the Work from home policy variable and performance allowances have a positive and strong influence on employee performance.

To determine the contribution of Work from home policy variables and performance allowances together on employee performance, the Work from home policy variables and performance allowances together have an influence contribution of 60.0% on employee performance, while the remaining 40.0 % influenced by other factors outside of research.

To determine the significance of the effect of Work from home policy variables and performance allowances together on employee performance (F test), the constant values a and the regression coefficients b1 and b2 above can be made, namely:

 $\hat{Y} = a + b_1 X_1 + b_2 X_2$

 $\hat{Y} = 7,479 + 0,456X_1 + 0,386X_2$

This means that employee performance is due to the Work from home policy and performance allowances can be predicted through the regression equation. Based on the Work from home policy score data and performance allowances, the highest score is 50 (5 x 10). 5 is the highest score for each answer, and 10 is the number of question items.

These numbers can be interpreted as follows:

- Ŷ = 7,479 + 0,456 + 0,386 . 50
 - = 7,479 + 42,139
 - = 49,618

From the results of these calculations, if the Work from home policy variable and the performance allowance is increased to 50 units, the employee's performance will increase from 7,479 units to 49,618 units. This means that the better the Work from home policy and the higher the performance allowances, the better the employee performance at the Directorate General of Regional Administration of the Ministry of Home Affairs will improve.

V. CONCLUSIONS AND SUGGESTIONS

A. Conclusion

- 1. From the research results, it was found that the Work from home policy variable (X1) had a positive, strong and significant effect on employee performance with a correlation coefficient value of 0.722 and a coefficient of determination (r^2) of 0.522, meaning that the Work from home policy variable contributed 52,2% of the employee performance variable. The result of the significance test of the Work from home policy variable on employee performance or t count is 8.801 and is greater than the t table of 2,000. The simple linear regression equation is $\hat{Y} = 13.813 + 0.718X1$, meaning that if the Work from the home policy has increased by 1 unit, then the employee's performance will increase by 0.718 units.
- 2. From the research results, it is found that the performance allowance variable (X2) has a positive, strong and significant effect on employee performance with a correlation coefficient value of 0.699 and a determination coefficient value (r^2) of 0.488, meaning that the performance allowance variable contributes 48.8 % of employee performance variables. The significance test of the performance allowance variable on employee performance or t count is 8,229 and is greater than the t table of 2,000. The result of the simple linear regression equation is $\hat{Y} = 13,983 + 0,703X2$, meaning that if the performance allowance has increased by 1 unit, then the employee's performance will increase by 0,703 units.
- 3. The research results found that the Work from home policy variable and performance allowance together have a positive, strong and significant effect on employee performance. This can be seen from the correlation coefficient value of 0.775 and the coefficient of determination (R2) of 0.600, meaning that the Work from home policy variable and performance allowances together contribute 60% to the employee performance variable. The significance test of the Work from home policy variable and the performance allowance together on employee performance or F count is 52.522 and is greater than the F table of 3.13. The result of the multiple linear regression equation is $\hat{Y} = 7,479 + 0,456X1 + 0,386X2$, meaning that if the Work from home policy variable and the performance allowance is increased to 50 units, then the employee's performance will increase from 7,479 units to 49,618 units.

B. Suggestions

- 1. The Work from home policy is the system chosen by the government to reduce the spread of the new type of Coronavirus (SARS-CoV-2), which causes Covid-19. Working from home is expected to maintain social distancing, namely decreasing the mobility of people, maintaining physical distance, and reducing crowds. Efforts that are suggested so that the Work from a home policy at the Directorate General of Regional Administration of the Ministry of Home Affairs can remain productive is to communicate clearly with superiors and ensure that subordinates understand what is expected by the leadership; make as much communication as possible either by voice (telephone), short text messages, and face to face or virtual such as video calls, Skype, Zoom; carry out Work from home such as carrying out routine Work at the office; if you do not have a workspace at home, as much as possible make a special space for Work; provide limits on working hours for oneself so that the Work is carried out effectively; as much face-to-face online interaction as possible by video calling and keeping up with the boss regularly; and superiors must provide direction in the form of clear and directed communication.
- 2. The mechanism for providing performance allowances has been implemented by the Directorate General of Regional Administration of the Ministry of Home Affairs according to the regulations and the utilization of the performance allowance is as expected. However, the amount of performance allowances must be paid more attention to the amount given to employees, so that there is no too significant difference between the amount of the performance allowance given to employees with high ranks and employees with low ranks so that employees are always motivated to produce maximum work results.
- 3. Employee performance is related to work productivity in the form of a comparison of the output with the specified input. In order to meet the target or standard quantity set, the Directorate General of Regional Administration of the Ministry of Home Affairs should provide training to hone employee skills. Applying discipline in terms of working hours is also very

important to show employee professionalism at Work. In addition, organizations can do several other things to support employee performance improvement: improving policies in the organization, implementing a good management system, increasing comfort regarding the physical conditions of a pleasant workplace, and establishing good cooperation between employees and employees with superiors. All of these factors will significantly affect employee performance.

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