

## The Influence of Human Resource Capability and Performance Allowances on Employee Work Performance at the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs Indonesia



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**ABSTRACT:** This study aimed to determine and examine the effect of the ability of human resources and performance allowances individually and collectively on the work performance of employees at the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs. The research method uses a survey with a quantitative correlational approach, and the sampling technique is simple random sampling, namely simple random sampling. The population in this study was 52 employees of the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, and Ministry of Home Affairs, while the sample taken in this study was 52. Data analysis used multiple linear regression.

The study results: a) From the results of the first hypothesis test, it was obtained that the magnitude of the effect was 65.4%, while other factors influenced the remaining 34.6%. Then the significant test (t-test) count  $9,730 > \text{table } 1,675$ . The first hypothesis is accepted ( $H_a$ ) means that there is a positive and significant influence on the ability of human resources on employees' work performance at the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs. b) The results of the second hypothesis test obtained the magnitude of the effect of 79.6%, while other factors influenced the remaining 20.4%. Then the significant test (t-test) count  $13,954 > \text{table } 1,675$ . The second hypothesis is accepted ( $H_a$ ) means that there is a positive and significant influence between performance allowances on employee performance at the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs. c) The results of the third hypothesis test obtained the magnitude of the effect of 80.8%, while other factors influenced the remaining 19.2%. Then the significant test (F test) Fount  $103,107 > F\text{-table } 4.03$ . The third hypothesis is accepted ( $H_a$ ) means that there is a positive and significant influence between the ability of human resources and performance allowances on employee performance. Performance allowances have a dominant influence compared to the ability of human resources on employee performance at the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs.

**KEYWORDS:** Human Resource Ability, Performance Allowance, and Employee Work Achievement

### INTRODUCTION

Human resources have a significant role in an organization, especially in achieving organizational goals. In reality, the success of an organization is also very dependent on the resources owned by the organization. In the current era of globalization, it is evident that we realize that the role of human resources is one of the main factors that are very important in an organization. Human resources simply acknowledge the importance of humans in the organization as a vital resource in achieving organizational goals, utilizing various functions and activities to ensure that they are used effectively and efficiently to benefit individuals, organizations, and society.

Knowledge, skills, and attitudes are components of human resource competencies that are key in management that play an essential and strategic role in improving employee performance. In addition, employee competence is increasingly essential because human resources are a valuable asset or asset owned by the organization and determine its success in achieving its goals. In addition, the purpose of increasing the ability of human resources in the organization is due to the demands of work or positions as a result of advances in science and technology and increasingly fierce competition among similar organizations.

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According to the State Civil Service Agency (2003), the ability of human resources is a characteristic possessed by a civil servant in the form of knowledge, skills, and behavioral attitudes needed in carrying out his duties so that the civil servant carries out his duties professionally, effectively and efficiently.

The improvement of human resource capacity is carried out to provide results under the goals and objectives of the organization with the performance standards that have been set. Workability concerns the authority of each individual to carry out tasks or make decisions according to his role in the organization that is relevant to his skills, knowledge, and competencies. For example, the competencies possessed by individual employees must support the implementation of organizational strategies and be able to support any changes made by management. In other words, the competencies possessed by individuals can support a team-based work system.

Determining the level of human resource capacity is needed to know the level of achievement or performance expected for the good or average category. Determining the human resources' capabilities will undoubtedly be used as a basis for performance evaluation. The ability of human resources always contains an intention or purpose, which is a motive or trait that causes an action or obtains a result, namely employee performance.

Theoretically, the performance allowance is one component of the welfare received by employees. The performance allowance can be used as an element of motivation for employees to excel. Therefore, every organization strives to design a system of providing appropriate performance allowances so that work motivation and employee performance can increase. The term performance allowance is a new term among Civil Servants. The term common and often used by most Civil Servants is remuneration. Remuneration is associated with increased performance and productivity, so it can be used as an element of motivation for employees to excel.

Thus, if this system can be implemented effectively, it will positively impact the organization because it will be able to improve employee performance and increase employee satisfaction. However, the problem is whether the performance allowance system can improve work performance and make a high contribution to the achievement of employee performance or not.

Although the performance allowance has been given, the employee has not shown a significant change in his work and even tends to remain. As a result, employees are not adequately aware of their duties and responsibilities. That means the employee has not shown good work performance, which has become his primary duty as a Civil Servant.

Employees' work performance is essential for the organization to achieve its goals, so the organization makes various efforts to improve it. Achievement at work is one of the needs that everyone wants to achieve at work. However, employee performance is not the same result. Each employee has a different ability and willingness to carry out the work.

According to Ilmi and Sahetapy (2004), work performance is the result of work in quality and quantity achieved by an employee in carrying out tasks following the responsibilities given to him. Employees can have good work performance if they can provide the best results for their work, meaning that the employee can achieve or exceed specific standards or criteria set by the organization.

Every organization expects to have employees with high work performance. As Wirawan (2009) described, high work performance can be known through indicators of (1) work results in quantity of work results, quality of work results, and efficiency in carrying out tasks. (2) qualitatively in the form of (a) work behavior, including work discipline, initiative, and thoroughness. (b) Personal characteristics of employees related to work include leadership, honesty, and creativity. In addition, high employee performance will benefit organizational productivity to increase and benefit employees. There is a possibility that salaries or positions will increase.

The work performance of employees at the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, and Ministry of Home Affairs is not under the organization. This is indicated by the low capacity of reliable human resources in their field; the provision of performance allowances determined by the Ministry of Home Affairs has not motivated employees to excel; lack of awareness of each employee to the responsibilities of their duties and functions; the uneven distribution of the number of employees in several Sub-Directorates, and the lack of employees in the TU Subdivision; lack of discipline of employees in carrying out tasks assigned by the leadership; the insufficient amount of budget; and limited supporting facilities and infrastructure such as (Desktop PC, Laptop, Printer, Scanner, Desk, Chair, and good Internet Connection).

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## LITERATURE REVIEW

### 1. Human Resources Capability

Human resources, which have high capabilities, greatly support the achievement of the organization's vision and mission to advance and develop in anticipation of global competition immediately. A person's abilities will make him different from those with average or ordinary abilities.

Ability can be classified into two types: physical ability and intellectual ability. It is undeniable that everyone has a certain level of ability that is very likely to be different from other people. The implications of this fact in organizational life, among others, is that everyone has certain advantages and disadvantages compared to other people around him. Knowing that everyone has strengths and weaknesses is very important, partly because with this knowledge, a leader can take various actions appropriately, for example, in terms of placement. In this connection, it can generally be said that the higher a person's position in the organization is, what is needed is high intellectual ability, not physical ability. On the other hand, in low positions in the organization, where a person is assigned to complete technical, mechanistic, and repetitive tasks, usually, physical abilities are more prominent. However, of course, the use of intellectual abilities is not unnecessary.

The definition of ability is synonymous with the notion of creativity. Many experts have put forward based on different views, as Djalal (2001) stated, "Everyone has creative abilities with different levels. No person does not have the ability or creativity and what is needed is how to develop that creativity (ability).

In Ardana (2008), Robbins suggests that ability is "a capacity possessed by an individual to do various job tasks." According to Sinungan (2003), the term ability is defined as "what is expected in the workplace, and refers to knowledge, skills, and attitudes which in their application must be consistent and under the performance standards required in the job." Fitz in Swasto (2003) suggests that the measurement of workability can be classified as follows:

- a. Knowledgeability is a broad understanding covering everything that has been known relating to individual tasks in the organization.
- b. Skill abilities are psychomotor abilities and specific work execution techniques related to individual tasks in the organization.
- c. Attitude ability has a particular influence on a person's response to other people, objects, and situations related to that person.

### 2. Performance Allowance

Allowances are a form of rights obtained by state civil servants. Allowances are given following the civil servant's position in government agencies. The provision of allowances and incentives is expected to improve civil servants' performance in a better and more professional direction. Through performance allowances, civil servants are encouraged to carry out their duties and obligations with enthusiasm and full of loyalty. The benefits and incentives given to civil servants must be accounted for so that they cannot relax in carrying out their duties.

According to Fathoni (2006), allowances are part of compensation. Allowances are seen as a system of rewards. The reward system consists of two components: compensation that is directly related to work performance and compensation that is not directly related to work performance.

Benefits (compensation) according to Sutrisno (2009) are: Benefits are compensation given by the company to employees because these employees have participated well in achieving organizational goals.

In the sense that compensation can be an increase in wages/salaries, the provision of allowances, promotions and positions, or other awards given based on the achievement of appropriate employee work results.

From the above understanding, it can be concluded that the provision of allowances is a form of compensation for all income in the form of money, goods directly or indirectly received by employees as compensation for services to be considered a proportional contribution to the achievement of organizational goals.

Simamora (2003) suggests that the performance allowance has five elements that must be possessed if it is desired to be optimally effective in achieving its goals. These elements include the following:

- a. Important meaning. A performance reward/benefit will not be able to influence what people do or how they feel if it is not essential to them.
- b. Flexibility. If the reward system is adapted to the unique characteristics of the individual members and if the rewards are contingent on a certain level of performance, then the rewards require varying degrees of flexibility.
- c. Frequency. The more often a reward can be given, the greater its potential usefulness as a tool that affects employee performance.

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- d. Visibility. Employees must enjoy rewards to feel the relationship between performance and the relationship itself.
- e. Cost. The lower the cost, the more desirable the reward from the organization's point of view.

### 3. Work Performance

The term work performance contains various meanings, but in principle, the notion of work performance is a result of work produced by an employee to achieve the expected goals.

According to Mangkunegara (2000), work performance is the result of work in quality and quantity achieved by an employee in carrying out his duties under the responsibilities he gives. According to Flippo (translation of Moh. Mas'ud, 2001), work performance is a person's success in carrying out a job.

Hasibuan (2002) states that a person achieves work performance in carrying out the tasks assigned to him based on skills, experience, and sincerity. According to Dharma (2000), work performance is done, or service products produced or provided by a person or group of people. Simamora (2003) states that the degree to which employees achieve job requirements. According to Heidjrachman's (2000) work performance that can be used to measure work performance, the criteria are as follows:

- a. Quality of work, including determination, thoroughness, skill, and cleanliness.
- b. The quantity of work, regarding the output, also needs to be considered how quickly can complete the extra work.
- c. Dependability includes following instructions, initiative, results, and craftsmanship.
- d. Attitudes, namely in the organization, other employees and work, from all the measurement descriptions that have been mentioned, a formula can be made to measure the work performance variable for this research.

## RESEARCH METHODS

### 1. Research Design

The design of this research begins with a quantitative problem and limits the problems in the problem formulation. First, the formulation of the problem is stated in the question sentence, then the researcher uses the theory to answer it. Sugiyono (2014) states that "Research designs must be specific, clear and detailed, determined steadily from the start, becoming a step by step guide".

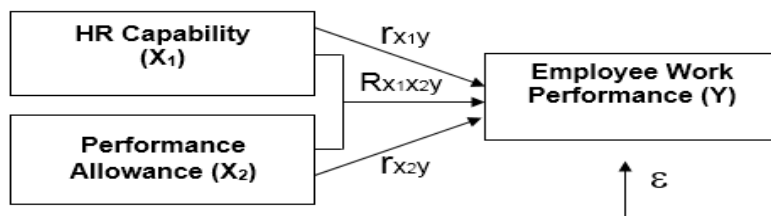


Figure 1. Research Design

### 2. Population and Sample

In general, the population is intended as a generalization area consisting of objects/subjects with specific qualities and characteristics, Sugiyono (2014). The population in this study is the Directorate of Regional Budget Planning, the Directorate General of Regional Financial Development, the Ministry of Home Affairs which has a total of 52 employees.

Sugiyono (2014), states that the sample is part of the number and characteristics possessed by the population. For example, suppose the population is large and it is impossible for the author to study everything in the population due to limited funds, manpower and time. In that case, the writer can use a sample taken from that population. However, what is learned from the sample, the conclusions can be applied to the population. For this reason, samples taken from the population must be truly representative.

Sampling technique is a sampling technique. To determine the sample to be used in the study, there are various sampling techniques used. In this study, the sampling technique used is saturated sampling or census, which is a sampling technique when all members of the population are used as samples. This is often done when the population is relatively small. From this description, the number of samples in this study was 52 people.

### 3. Data Collection and Processing Techniques

Data collection techniques can use primary and secondary sources. The data can be explained as follows:

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Primary sources were collected through a questionnaire. The questionnaire is a data collection technique done by giving a set of questions or written statements to respondents to answer. Secondary sources are data obtained from organizational records, literature, and observations related to this research topic.

In processing data to provide a description or description of the problem being discussed, the data collected from respondents in the form of questionnaire answers will be processed through several stages of data processing, including Editing, Scoring, and Data Tabulation.

## 4. Data Analysis Techniques

The research instrument was used to measure the value of the variables studied. Thus the number of instruments used for research will depend on the number of variables studied. The data analysis technique in connection with this research is a quantitative method using multiple linear analysis, wherein the process of processing and measuring the research data is supported by the use of tools in the form of SPSS 23 software. Several types of tests were carried out in connection with the data analysis techniques in this study, including basic assumption tests, classic assumption tests, model assumption tests, and hypothesis tests.

## RESEARCH RESULT

### 1. Influence of HR Capability on Employee Work Performance Directorate of Regional Budget Planning Directorate General of Regional Financial Development Ministry of Home Affairs

Table 1. Results of t-test of HR Ability

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.956	4.949		.395	.694
HR_CAPABILITIES	.958	.098	.809	9.730	.000

a. Dependent Variable: WORK\_PERFORMANCE

Source: Primary Data processed, 2021

Based on Table 1, it can be explained that the significance value of the HR Ability variable (X1) is known to have a significance value (Sig) of 0.000. Because the value of Sig 0.000 < 0.05, it can be concluded that the hypothesis can be accepted, where the ability of HR (X1) has a partial effect on Employee Performance (Y). Then the t-count test is carried out by comparing the t-count with the t-table, with a level of 0.05. The result of the t-table is 1.675, as seen from the t-distribution table with the number of samples 52 (n), and the number of independent variables 2 (k=2) (degrees of freedom (df) = nk ; ( 52-2 = 50 ) Then compared between (t count with t table) where (9,730 > 1,675 ), it can be concluded that this hypothesis can be accepted, because of the influence of HR capabilities (X1 ) partially on Employee Work Performance (Y). This means that HR's ability has a positive and significant effect on Employee Work Performance at the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs. Thus, the first hypothesis is proven.

### 2. The Effect of Work Allowances on Employee Work Performance Directorate of Regional Budget Planning Directorate General of Regional Financial Development Ministry of Home Affairs

Table 2. Results of t-test of Work Allowances

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.178	3.684		.320	.750
WORK_ALLOWANCES	1.012	.073	.892	13.954	.000

a. Dependent Variable: WORK\_PERFORMANCE

Source: Primary Data processed, 2021

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Based on Table 2, it can be explained that the significance value of the Work Allowance variable (X2) is known to have a significance value (Sig) of 0.000. Because the value of Sig 0.000 < 0.05, it can be concluded that the hypothesis can be accepted, where the Work Allowance (X2) has a partial effect on Employee Performance (Y). Then the t-count test is carried out by comparing the t-count with the t-table, with a level of 0.05. The result of the t-table is 1.675, as seen from the t-distribution table with the number of samples 52 (n) and the number of independent variables 2 (k=2) (degrees of freedom (df) = nk ; ( 52-2 = 50 ) Then compared between (t count with t table) where (13,954 > 1,675 ), it can be concluded that this hypothesis can be accepted, because of the influence of work allowances (X2 )) partially on Employee Work Performance (Y). This means that work allowances have a positive and significant effect on employees' work performance in the Directorate of Regional Budget Planning Directorate General of Regional Financial Development. Thus the second hypothesis is proven.

**3. The Influence of Human Resources Capability and Work Allowances on Employee Work Performance Directorate of Regional Budget Planning Directorate General of Regional Financial Development Ministry of Home Affairs**

The F test aims to test whether the HR Ability (X1) and Work Allowances (X2) variables have a joint or combined effect on the Employee Work Achievement variable (Y). To find out the simultaneous F test in multiple linear regression analysis by paying attention to the results contained in the "ANOVA" output table by looking at the smaller Sig value (<) 0.05. The hypothesis (allegation) proposed in this F test is "There is an effect of the variable HR Ability (X1) and work allowances (X2) simultaneously on Employee Work Performance (Y).

**Table 3. Results of F-Test Employee Performance**

**ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4824.955	2	2412.477	103.107	.000 <sup>b</sup>
	Residual	1146.488	49	23.398		
	Total	5971.442	51			

a. Dependent Variable: WORK\_PERFORMANCE

b. Predictors: (Constant), WORK\_ALLOWANCES, HR\_CAPABILITIES

**Source:** Primary Data processed, 2021

In table 3, it can be seen that the value of Sig is 0.000. Because of the value of Sig. 0.000 < 0.05, then according to the basis of decision making in the F test, it can be concluded that the hypothesis is accepted or in other words, the variables of HR Ability (X1) and Work Allowances (X2) simultaneously affect Employee Performance (Y). Thus the third hypothesis is proven.

**DISCUSSION**

**1. Influence of HR Capability on Employee Work Performance Directorate of Regional Budget Planning Directorate General of Regional Financial Development Ministry of Home Affairs**

The variable of HR ability is measured using three indicators, namely knowledge, skills, and attitudes. Based on the results of the description analysis, the average value of the HR capability variable shows that the employees of the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs tend to agree that the indicators of knowledge, skills, and attitudes form the HR capability variable. Skill indicators provide the most significant support for forming the HR capability variable. Namely, the leadership develops employee mindsets to work optimally by prioritizing the employee's abilities. The leadership increases employee attention to work abilities so that employees can build good cooperation with other employees.

The employee performance variable is measured using four indicators of skills, work sincerity, efficiency and effectiveness, and work results. Based on the results of the description analysis, the average value of the employee performance variable shows that employees of the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs tend to agree that the indicators of skill, seriousness, efficiency, and effectiveness and work results form employee performance variables. Skill indicators provide the most significant support for the formation of employee performance variables, namely in carrying out work activities it is always measured by the level of quantity, quality, the

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extent to which supervision is carried out and employees always carry out work assignments with a complete sense of responsibility.

Based on the regression analysis results, it shows that the ability of human resources contributes to the increase in employee performance at the Directorate of Regional Budget Planning, Directorate General of Regional Finance, Ministry of Home Affairs. The results of this study are in line with the research conducted by Leuhery (2018).

### **2. The Effect of Work Allowances on Employee Work Performance Directorate of Regional Budget Planning Directorate General of Regional Financial Development Ministry of Home Affairs**

The work allowance variable was measured using five indicators of importance, flexibility, frequency, visibility, and cost. Based on the results of the description analysis, the average value of the work allowance variable shows that employees of the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs tend to agree that the indicators of importance, flexibility, frequency, visibility, and cost make up the work allowance variable. Flexibility indicators provide the greatest support for the formation of work allowance variables, namely the allowances given to encourage employees to provide the best potential for the organization by providing benefits to make employees more loyal to the organization so that employees can complete a given job effectively.

The variable of employee performance is measured by using four indicators of skills, work sincerity, efficiency and effectiveness, and work results. Based on the results of the description analysis, the average value of the employee performance variable shows that employees of the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs tend to agree that the indicators of skill, seriousness, efficiency, and effectiveness and work results form employee performance variables. Skill indicators provide the greatest support for the formation of employee performance variables, namely in carrying out work activities it is always measured by the level of quantity, quality, the extent to which supervision is carried out and employees always carry out work assignments with a full sense of responsibility.

Based on the results of the regression analysis, shows that the work allowance has an impact on increasing employee performance at the Directorate of Regional Budget Planning, Directorate General of Regional Finance, Ministry of Home Affairs. The results of this study are in line with the research conducted by Dharmatilaar (2021).

### **3. The Influence of Human Resources Capability and Work Allowances on Employee Work Performance Directorate of Regional Budget Planning Directorate General of Regional Financial Development Ministry of Home Affairs**

The variable of HR ability is measured using three indicators, namely knowledge, skills and attitudes. Based on the results of the description analysis, the average value of the HR capability variable shows that the employees of the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs tend to agree that the indicators of knowledge, skills and attitudes form the HR capability variable. Skill indicators provide the greatest support for the formation of the HR capability variable, namely the leadership develops employee mindsets to work optimally by prioritizing the employee's own abilities and the leadership increases employee attention to work abilities so that employees are able to build good cooperation with other employees.

The work allowance variable is measured using five indicators of importance, flexibility, frequency, visibility and cost. Based on the results of the description analysis, the average value of the work allowance variable shows that employees of the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs tend to agree that the indicators of importance, flexibility, frequency, visibility, and cost make up the work allowance variable. Flexibility indicators provide the greatest support for the formation of work allowance variables, namely the allowances given to encourage employees to be able to provide the best potential for the organization by providing benefits to make employees more loyal to the organization so that employees can complete a given job effectively.

The variable of employee performance is measured by using four indicators of skills, work sincerity, efficiency and effectiveness, and work results. Based on the results of the description analysis, the average value of the employee performance variable shows that employees of the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs tend to agree that the indicators of skill, seriousness, efficiency, and effectiveness and work results form employee performance variables. Skill indicators provide the most significant support for the formation of employee performance variables, namely in carrying out work activities it is always measured by the level of quantity, quality, the extent to which supervision is carried out, and employees always carry out work assignments with a complete sense of responsibility.

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Based on the multiple regression analysis results, the ability of human resources and work allowances provide support for increasing employee performance at the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs. Work allowances have a more dominant impact on employee performance than HR capabilities. The results of this study are in line with the research conducted by Leuhery (2018), Dharmatilaar (2021), and Saputra (2018).

### **CONCLUSIONS AND RECOMMENDATIONS**

Based on the results of research on the effect of human resource capabilities and performance allowances on employee performance at the Directorate of Regional Budget Planning, Directorate General of Regional Finance, Ministry of Home Affairs, the following conclusions can be drawn:

The variable of HR ability is measured using three indicators, namely knowledge, skills, and attitudes. Based on the results of the description analysis, the average value of the HR capability variable shows that the employees of the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs tend to agree that the indicators of knowledge, skills, and attitudes form the HR capability variable. Skill indicators provide the most significant support for forming the HR capability variable. The leadership develops employee mindsets to work optimally by prioritizing the employee's abilities. The leadership increases employee attention to work abilities so that employees can build good cooperation with other employees.

The performance allowance variable was measured using five indicators of importance, flexibility, frequency, visibility, and cost. Based on the results of the description analysis, the average value of the performance allowance variable shows that employees of the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs tend to agree that the indicators of importance, flexibility, frequency, visibility, and cost form the performance allowance variable. In addition, the flexibility indicator provides the most significant support for the formation of the performance allowance variable, namely the allowances given to encourage employees to be able to provide the best potential for the organization by providing benefits to make employees more loyal to the organization so that employees can complete a given job effectively.

The employee performance variable is measured by using four indicators of skills, work sincerity, efficiency and effectiveness, and work results. Based on the results of the description analysis, the average value of the employee performance variable shows that employees of the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs tend to agree that the indicators of skill, seriousness, efficiency, and effectiveness and work results form employee performance variables. Skill indicators provide the most significant support for the formation of employee performance variables, namely in carrying out work activities it is always measured by the level of quantity, quality, the extent to which supervision is carried out, and employees always carry out work assignments with a complete sense of responsibility.

Based on the regression analysis results, it shows that the ability of human resources contributes to the increase in employee performance at the Directorate of Regional Budget Planning, Directorate General of Regional Finance, Ministry of Home Affairs.

Based on the regression analysis results, the performance allowance impacts increasing employee performance at the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs.

Based on the results of multiple regression analysis, the ability of human resources and performance allowances provides support for increasing employee performance. Work allowances have a more dominant impact on employee performance than human resources capabilities at the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs.

### **RECOMMENDATIONS**

Based on the results of research on the effect of human resource capabilities and performance allowances on employee performance at the Directorate of Regional Budget Planning, Directorate General of Regional Financial Development, Ministry of Home Affairs, suggestions that can be submitted are as follows:

The research results are expected to provide a contribution that can be used as a scientific document that is useful for the development of administrative science, especially regarding the ability of human resources, performance allowances, and work



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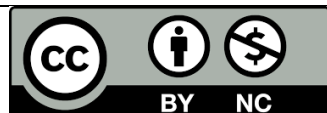
performance. As a contribution to expanding the study of public administration science and add insight and be used as an academic reference and a comparison material in carrying out research in the same field of study.

To make a positive contribution to the relevant agencies to improve employee performance, the results of this study are expected to improve employee work performance and optimal changes in employee work attitudes in agencies according to their primary duties and functions by considering the following:

- a. On the HR capability variable, especially on the knowledge indicator, which gives the lowest value to the formation of HR capabilities through training for employees on the job so that employees can carry out work activities are always able and master the work, able to operate every equipment used in working technically and leaders must be able to stimulate and increase employee motivation so that the vision and mission that is programmed and the results of the activities that have been carried out are appropriately achieved.
- b. In the performance allowance variable, especially on the visibility indicator, which gives the lowest value to the formation of performance allowances, the leader must be able to motivate employees to work according to work, and employees will receive performance allowances according to work performance.
- c. On the variable of employee performance, especially on indicators of efficiency and effectiveness, which give the lowest value to the formation of employee performance through employees having to carry out work activities by having the initiative while carrying out tasks, carrying out work assigned by superiors, and helping co-workers who encounter problems profession.

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