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The Effect Of Performance Allowances On Employee Performance With Work Motivation As A Power Intervening Variables In The Service Public Works And Spatial Planning Asahan Regency

Eva Agustina [1], Muhammad Isa Indrawan[2]
[1] Master of Management Student, Universitas Pembangunan Panca Budi, Medan
[2*] Master of Management, Universitas Pembangunan Panca Budi, Medan
*E-mail Correspondence: isahendrawan@dosen.pancabudi.ac.id

Abstract

Appropriate performance allowances and optimal work motivation are important factors in improving employee performance in government organizations. This study aims to determine and analyze the effect of performance allowances on employee performance mediated by work motivation at the Office of Public Works and Spatial Planning of Asahan Regency. This study uses a causal associative quantitative approach. The sample used was the entire population of employees totaling 145 people with a saturated sampling technique. Data analysis was carried out using Structural Equation Modeling (SEM) based on Partial Least Square (PLS). The results showed that performance allowances did not have a significant direct effect on employee performance, with a T-statistic value of 0.900 <1.96 and a P-value of 0.370> 0.05. However, performance allowances had a positive and significant effect on work motivation, with a T-statistic value of 104.907> 1.96 and a P-value of 0.000 <0.05, indicating that performance allowances can improve employee motivation. Furthermore, work motivation has a positive and significant effect on employee performance, with a T-statistic value of 6.955 > 1.96 and a P-value of 0.000 < 0.05, indicating that increasing work motivation can improve employee performance. Work motivation also mediates the effect of performance allowances on employee performance, with a T-statistic value of 6.949 > 1.96 and a P-value of 0.000 < 0.05, indicating that performance allowances are more effective in improving performance when accompanied by high work motivation. These results provide insight that the combination of performance allowances and work motivation is an effective strategy in improving employee performance at the Public Works and Spatial Planning Agency of Asahan Regency. Employee performance at the Public Works and Spatial Planning Agency of Asahan Regency.

Keywords:
Incentives; Employee performance; Human resource development

1.INTRODUCTION

Improving employee performance is one of the main objectives in human resource management in various organizations, including in the public sector. Providing performance allowances has long been recognized as one of the effective ways to improve employee motivation and performance. Performance allowances are a form of financial incentive given to employees based on certain performance achievements that have been set by the organization (Dessler & Varrkey, 2016). This allowance aims to encourage employees to work harder, more efficiently, and more committed to their work.

Research shows that financial incentives such as performance allowances can increase employees' intrinsic and extrinsic motivation (Cerasoli et al., 2014; Thibault Landry et al., 2019). When employees feel that their efforts and contributions are recognized through fair compensation, they tend to be more motivated to achieve higher targets and work harder at their jobs (Robbins & Judge, 2018). In addition, providing effective performance allowances can also strengthen employee loyalty to the organization (Malanuwa et al., 2023). Employees who receive financial rewards that are commensurate with their performance will feel more appreciated and recognized, which in turn can increase their long-term loyalty and commitment to the organization.

Work motivation plays an important role as an intervening variable in the relationship between performance allowances and employee performance. Motivation is a process that explains the intensity, direction, and persistence of an individual in an effort to achieve goals (Bratton et al., 2021). Motivated employees will have a strong drive to achieve better results, which in turn improves overall performance (Gomez-Mejia et al., 2016). Although performance allowances and work motivation have been implemented, there are still several problems that affect employee performance at the Public Works and Spatial Planning Office of Asahan Regency. Based on observations, some employees feel that the allowances provided are not enough to motivate them optimally. In addition, there is also a view that the performance allowance program needs to be evaluated and improved to be more effective in improving employee performance.

In the Public Works and Spatial Planning (PUTR) Office of Asahan Regency, the provision of performance allowances has become an important concern in efforts to improve employee performance. Based on observations and interviews with several employees in the PUTR Office of Asahan Regency, it was found that performance allowances have a significant impact on employee work motivation. Employees who feel they are being rewarded for their hard work tend to be more motivated and show better performance improvements.

According to (Vahdist & Mahfudz, 2017) performance allowance is a form of financial incentive given to employees based on certain performance achievements that have been set by the organization. The goal is to encourage employees to work harder, more efficiently, and be more committed to their work. According to (Malanuwa et al., 2023) performance allowance is additional compensation given to employees as an effort to improve their performance and productivity. According to (Sikula, 2014) performance allowance is a financial or non-financial award given to employees based on their performance evaluation. This incentive aims to increase employee motivation and performance by rewarding their achievements and contributions to the organization

The performance allowance indicators in this study refer to the opinion of (Vahdist & Mahfudz, 2017) which consist of the following:

1. Compliance of Allowances

Benefit appropriateness refers to the extent to which benefits provided are in line with employee contributions, responsibilities, and performance. This indicator ensures that the benefits received by employees are in line with their roles and jobs within the organization. If benefits are considered appropriate, employees will feel valued and motivated to maintain or improve their performance.

2. Adequacy of allowances

Adequacy of benefits refers to whether the amount of benefits provided is sufficient to meet the needs and expectations of employees. Adequate benefits mean that the incentives provided are able to provide real and significant benefits to employee welfare, thus encouraging their satisfaction and motivation in working.

3. Satisfaction with benefits

Benefits satisfaction is the level of employee satisfaction with the benefits they receive. This indicator reflects employee perceptions of the fairness, relevance, and usefulness of the benefits. High benefits satisfaction usually indicates that employees feel valued and motivated, which has a positive impact on their performance and loyalty to the organization.

According to (Hasibuan, 2014) the drive or driving force that creates a person's work enthusiasm to work together, work effectively, and integrate with all their efforts to achieve satisfaction. According to (Robbins & Judge, 2018) the willingness to put in high effort to achieve organizational goals, which is conditioned by the ability of that effort to meet an individual's needs.

Work motivation indicators according to (Herzberg, 2015) consist of:

1. *Achievement*

   The degree to which employees feel successful in completing their tasks and achieving set goals. Achievement provides a sense of satisfaction and encourages employees to continue improving their performance.
2. *Recognition* (Recognition *)*

Recognition of the work and contributions that have been made by employees. This recognition can be in the form of praise, awards, or appreciation from superiors and colleagues, which can increase self-esteem and motivation.

3. *Work Itself* (Work Itself)

   How interesting and challenging the job itself is. Jobs that provide opportunities to use skills and creativity will increase employee intrinsic motivation.

4. *Responsibility*

   The level of responsibility given to employees in their jobs. Greater responsibility can increase a sense of ownership and commitment to the job, which in turn increases motivation.

5. *Advancement*

   Opportunities for promotion and career advancement within the organization. The opportunity to move up in the ranks or gain a more challenging role can motivate employees to work harder.

6. *Growth*

   Opportunities for personal and professional development through training and work experience. Growth gives employees a sense that they are developing and gaining new skills, which increases motivation and job satisfaction.

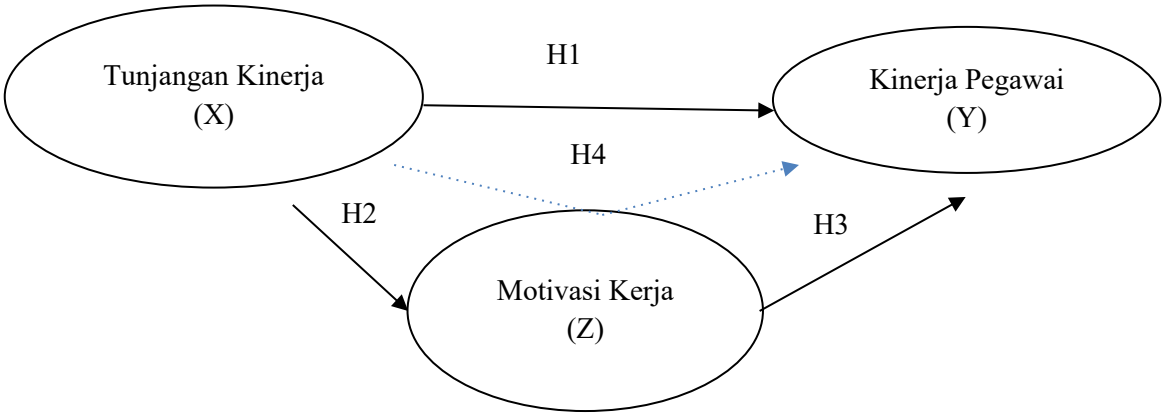
According to (Wayne, 2016), employee performance is the work results in terms of quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. According to (Malanuwa et al., 2023) defines employee performance as real behavior displayed by each person as work achievements produced by employees in accordance with their role in the Company

According to (Wayne, 2016), employee performance indicators include several aspects consisting of:

1. Quality of Work
2. Quantity of Work
3. Timeliness
4. Effectiveness and Efficiency
5. Initiative and Creativity
6. Discipline and Compliance
7. Teamwork

This study aims to analyze the influence of performance allowances on employee performance at the Public Works and Spatial Planning Agency of Asahan

Regency by considering motivation as an intervening variable. The concept of this study is as illustrated in the following conceptual framework image:



Gambar 1. Kerangka Konseptual

2. RESEARCH METHODS

The type of research that will be used is quantitative associative, namely research that aims to determine the relationship between two or more variables. (Sugiyono, 2020). In this study, the exogenous variable is Performance Allowance (X). While the endogenous variable is Employee Performance (Y) and the Intervening Variable is work motivation (Z).

This research was conducted at the Office of Public Works and Spatial Planning of Asahan Regency located at Jl. Mahoni No.29, Mekar Baru, Kisaran, Asahan Regency, North Sumatra 21211. The time of this research was conducted from January 2025 to March 2025.

According to several experts, one of them according to (Sugiyono, 2019), population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn. In this study, the population used was the entire number of employees at the Public Works and Spatial Planning Office of Asahan Regency, totaling 145 people with the following details.

No.	Employee Status	Number of people)

Table 3.1 Population Details at the Public Works and Transportation Office Spatial Planning of Asahan Regency

1.	ASN	69
1.	Honorary	76
	Amount	**145**

Source: **Office of Public Works and Spatial Planning of the Regency Sharpening**

According to (Sugiyono, 2020), a sample is part of the number and characteristics possessed by the population. If the population is large, and researchers cannot study everything in the population, for example due to limited funds, manpower and time, then researchers can use samples taken from that population. However, in this study because the population is relatively small, the sampling technique used is the saturated sample technique, which involves all respondents to become samples, meaning that the sample to be used is 145 employees.

Meanwhile, the feasibility test that will be used in this study is the *outer model test* in order to obtain the *outer loading value* that meets the *validity and reliability requirements.* Structural model testing (Inner model) which includes the determination coefficient test (R2) to measure how far the model's ability to explain the variation of the dependent variable. The determination coefficient value / $R^2$is in the range of zero (0) and one (1) (Kuncooro, Munajad, 2013).

The Goodness fit test is used to determine the extent to which the observed data is in accordance with the theoretical distribution assumed by the model or hypothesis (Ghozali & Latan, 2015) and the hypothesis test (T-Statistic Test) which consists of the *path coefficients test* to test how the direct influence of each independent variable individually on the dependent variable and the indirect influence of the intervening variable in influencing the independent variable on the dependent variable.

This test is used to determine the direction of the relationship between variables (positive/negative). If the value is 0 to 1, then the direction of the relationship between variables is stated as positive. While if the value is 0 to -1, then the direction of the relationship between variables is stated as negative. The hypothesis is said to be accepted if the t statistic value is greater than the t table. According to (Ghozali & Latan, 2015) the criteria for the t table value is 1.96 with a significance level of 5%

3. RESULTS AND DISCUSSION

3.1.Research result

Outer Model Analysis

outer model testing in this study uses algorithm analysis on *SmartPLS software version 3.0*, in order to obtain *outer loading values* that meet the *validity and reliability requirements.*

1) Convergent Validity Test Results

Convergent validity of the measurement model with reflective indicators can be seen from the correlation between the item/indicator score and the construct score. Indicators that have individual correlation values greater than 0.7 are considered valid, but in the development stage of research, indicator values of 0.5 and 0.6 are still acceptable. Based on the results for outer loading, it shows that there are indicators that have loadings below 0.60 and are not significant. The following are the results of the outer loading values in the following table.

Table 2. ***Outer Loading***

Indicator	*Outer Loading*	Information
Performance Allowance (X)		
TUKIN1	0.859	Valid
TUKIN2	0.677	Valid
TUKIN3	0.858	Valid
Employee Performance (Y)		
KP1	0.894	Valid
KP2	0.877	Valid
KP3	0.720	Valid
KP4	0.628	Valid
KP5	0.755	Valid
KP6	0.803	Valid
KP7	0.757	Valid
KP8	0.697	Valid
Work Motivation (Z)		
MTV1	0.801	Valid
MTV2	0.918	Valid
MTV3	0.755	Valid
MTV4	0.762	Valid
MTV5	0.720	Valid
MTV6	0.826	Valid

Based on Table 2, it can be seen that all indicators have a *loading factor value* > 0.60. According to (Ghozali, Imam & Latan, 2015) an indicator is declared valid if it has a *loading factor value* > 0.60. Thus, it can be stated that all indicators in this study are declared valid and can be further researched. The following is displayed in the form of a structural model as in the following figure:

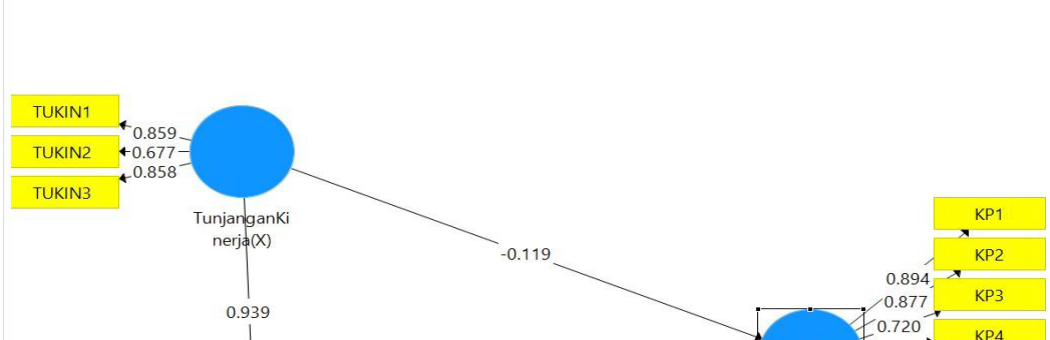


Figure 1. ***Outer Model Test Results***

2) ***Discriminant Validity*** **Test Results**

The next test is to test the discriminant validity, this test aims to determine whether a reflective indicator is a good measurement for its construct based on the principle that the indicator is highly correlated to its construct. The following are the cross loading results from the discriminant validity test as in the following table.

Table 3 . ***Discriminant Validity***

Variable Indicator	Employee Performance (Y)	Motivation Performance (Z)	Performance Allowance (X)
KP1	**0.894**	0.722	0.692
KP2	**0.877**	0.702	0.610
KP3	**0.720**	0.483	0.471
KP4	0.628	**0.679**	0.642
KP5	**0.755**	0.457	0.435
KP6	**0.803**	0.483	0.405
KP7	**0.757**	0.583	0.584
KP8	**0.697**	0.565	0.464
MTV1	0.591	**0.801**	0.714
MTV2	0.698	**0.918**	0.885
MTV3	0.547	**0.755**	0.734
MTV4	**0.790**	0.762	0.660
MTV5	0.475	**0.720**	0.679
MTV6	0.608	**0.826**	0.814
Sumber: Output Smart PLS,		0.851	**0.859**

Variable Indicator	Employee Performance (Y)	Motivation Performance (Z)	Performance Allowance (X)
TUKIN2	0.476	0.582	0.677
TUKIN3	0.597	0.798	**0.858**

Based on table 3, it can be seen that the *cross loading value* in each indicator and variable is greater than other variables and indicators, the cross loading of the Employee Performance variable shows that the cross loading of the variable indicator is greater than the cross loading of other latent variables, the cross loading of the performance motivation variable indicator shows that the *cross loading indicator value* is greater than other latent variables, *the cross loading of* the performance allowance also shows a greater cross loading value of the indicator than the cross loading of its latent variables. Based on these data, it can be stated discriminatively that *the cross loading* results are considered valid.

3) *Composite reliability* test results

The next test determines the reliable value with *the composite reliability* of the indicator block that measures the construct. A construct value is said to be reliable if the *composite reliability value is* above 0.60. In addition to looking at the *composite reliability value,* the reliable value can be seen from the variable construct value with *the cronbachs alpha of the indicator block that measures the construct. A construct is declared reliable if the cronbachs alpha* value is above 0.7. The following is a table of loading values for the research variable constructs generated from running the Smart PLS program in the following table.

Table 4. *Construct Reliability and Validity*

Indicator	Cronbach 's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Employee Performance(Y)	0.900	0.921	0.594
Incentive Grant (X)	0.886	0.914	0.639
Human Resources Development (Z)	0.720	0.843	0.644

Source: Smart PLS Output, 2024

Based on Table 5, it can be explained that the AVE value for each tested variable has a value of > 0.5, indicating that all variables in this study meet *the criteria of discriminant validity* . To determine the reliability in this study, *the composite reliability value is used* . The value accepted for the level of reliability is > 0.7. Based on these criteria, it can be seen that all variables in this study have a value of > 0.70 so that it can be stated that all variables tested meet the construct reliability.

Structural Model Evaluation (*Inner Model*)

Structural model evaluation (*inner model*) is conducted to ensure that the structural model built is robust and accurate. The stages of analysis carried out in the structural model evaluation are seen from several indicators, namely:

1) Results of the Determination Coefficient Test (R^2)

The determination coefficient test (R^2) is used to see the influence of certain independent latent variables on dependent latent variables whether they have a substantive influence. Based on the data processing that has been carried out using the SmartPLS 3.0 program, the R Square value is obtained as in the following table.

Table 5. R Square Results

Variables	R Square	Adjusted R Square
Employee Performance(Y)	0.610	0.604
Work Motivation (Z)	0.881	0.880

Source: Smart PLS Output, 2024

Based on table 5, it is known that the R square Adjusted value of the employee performance variable is 0.604 or 60.40%, which means that the effect of performance allowances on employee performance is in the very high category. This means that the higher the performance allowance, the higher the employee performance will be. Meanwhile, the R Square value of the employee performance variable is 0.610 or 61.00%, which means that the effect of performance allowances on employee performance is 61.00% and the remaining 29.01% is influenced by other variables that have not been studied. Meanwhile, the R Square Adjusted value of the work motivation variable is 0.880 or 88.00%, which means that performance allowances affect work motivation by 88.00% or in the very high category, which means that performance allowances significantly increase work motivation. Furthermore, the R square value of the work motivation variable is 0.881 or 88.10%, which means that

performance allowances affect work motivation by 88.10%, while the remaining 11.90% is influenced by other variables that have not been studied.

2) *Goodness of Fit* Test Results

Goodness of Fit Test is a statistical method used to evaluate how well a statistical model or distribution being tested fits the observed data. The Goodness of Fit Test aims to determine the extent to which the observed data fits the theoretical distribution assumed by the model or hypothesis. The goodness of fit test of the model can be seen by looking at the NFI value in the program. If the NFI value> SRMR and is getting closer to 1, the better the model (good fit). Based on the data processing that has been done using the SmartPLS 3.0 program, the Model Fit value is obtained as follows.

Table 6. Fit Model

	Saturated Model	Estimated Model
SRMR	0.120	0.120
d_ULS	2.220	2.220
d_G	2.136	2.136
Chi-Square	1186.721	1186.721
NFI	0.558	0.558

Source: Smart PLS Output, 2024

Based on table 6, it can be seen that the NFI value is 0.558 > 0.195 so it can be stated that the model in this study has sufficient *goodness of fit and is suitable for use in testing the research hypothesis.*

Hypothesis Testing Results

After conducting the inner model analysis, the next step is to evaluate the relationship between latent constructs in order to answer the hypothesis in this study. Hypothesis testing in this study was carried out by looking at the T-Statistics and P-Values. The hypothesis is declared accepted if the *T-Statistics value is* > 1.96 and P-Values < 0.05. The following are the results of *the Path Coefficients* of the direct influence between variables as in the following table.

Table 7. *Path Coefficients* (Direct Effect)

	Original	Sample	Standard Deviati	T Statistics	P Values	Results

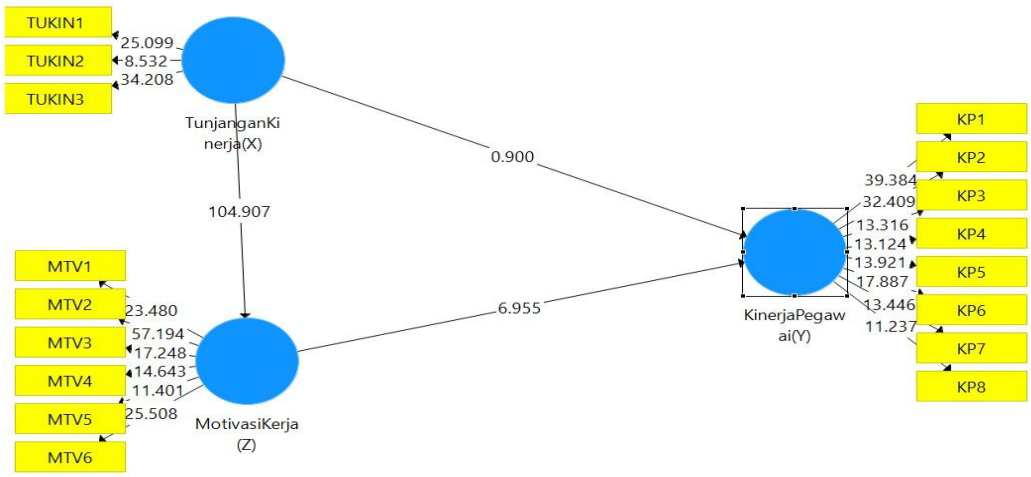
	Sample (O)	**Mean (M)**	**on (STDEV)**	**(|O/STDEV|)**		
Performance Allowance (X) -> Employee Performance (Y)	-0.119	-0.128	0.133	0.900	0.370	**Accepted**
Performance Allowance (X) -> Work Motivation (Z)	0.939	0.941	0.009	104,907	**0.000**	**Accepted**
Work Motivation (Z) -> Employee Performance (Y)	0.892	0.908	0.128	6.955	**0.000**	**Accepted**

Source: Smart PLS Output, 2023

Based on the data in Table 7, it can be stated that performance allowances do not have a positive and significant effect on employee performance. This can be seen from the T-statistic value of 0.900> 1.96 with a P-Value of 0.370 <0.05. This means that if performance allowances are increased, employee performance will not experience a significant increase. These results answer the first hypothesis in this study, namely that performance allowances do not have a positive and significant effect on the performance of employees of the Public Works and Spatial Planning Service of Asahan Regency.

Furthermore, on the influence of performance allowances on work motivation, the T-Statistic value data obtained was 104,907> 1.96 with a P-Value of 0.000 <0.05 so that it can be stated that performance allowances have an effect on work motivation at the Public Works and Spatial Planning Office of Asahan Regency. This can be interpreted that if performance allowances are increased, motivation will increase. This statement answers the second hypothesis, namely that performance allowances have a positive and significant effect on work motivation.

Furthermore, on the influence of work motivation on employee performance, data was obtained that the T-Statistic value was 6.955> 1.96 with a P-Value of 0.000 <0.05, which means that work motivation has a positive and significant effect on employee performance. This indicates that if work motivation is increased, employee performance tends to increase significantly so that this statement answers the third hypothesis, namely that work motivation has a positive and significant effect on employee performance.



***Path Coefficients* Test Results**

To answer the sixth and seventh hypotheses, we look at the indirect influence between variables as in the following table.

Table 8. Indirect Effect (Indirect Influence)

Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Results
Performance Allowance (X) -> Work Motivation (Z) -> Employee Performance(Y)	0.837	0.855	0.120	6,949	**0.000**	**Accepted**

Source: Smart PLS Output, 2024

Based on table 8, it can be explained that work motivation (Z) is able to intervene in the influence between performance allowances (X) on Employee Performance (Y). This can be seen from the results of the T-Statistic value of 6.949> 1.96 with a P-Value of 0.000 <0.05. This shows that there is an indirect influence

between performance allowances and employee performance through work motivation. This statement answers the fourth hypothesis that effective work motivation is able to intervene positively and significantly in the influence between performance allowances on employee performance. These results provide insight into how the intermediary variable of employee performance can intervene in the relationship between performance allowances on employee performance at the Public Works and Spatial Planning Service of Asahan Regency

3.2 Discussion

The findings in this study indicate that performance allowances (variable X) are proven to have no significant direct effect on employee performance (variable Y) at the Public Works and Spatial Planning Office of Asahan Regency. Although performance allowances are a form of financial reward that can usually increase motivation and performance, in this context, these allowances have not had a direct effect on improving performance. This finding is in line with previous literature stating that other factors, such as intrinsic motivation or organizational culture, may play a role in the effectiveness of financial incentives on employee performance (Cerasoli et al., 2014). Robbins and Judge's (2018) research supports that the effect of incentives on performance often depends on the context and perception of fairness among employees. If employees feel that the allowance does not reflect their work contributions proportionally, then its positive impact on performance can be reduced.

Performance allowances (variable X) are proven to have a positive and significant effect on work motivation (variable Z) at the Public Works and Spatial Planning Office of Asahan Regency. This shows that when performance allowances are well designed, employees feel more motivated in their work. Fair performance allowances that are in accordance with employee expectations can increase their motivation, because they feel that the financial reward is a recognition of their efforts and contributions. Previous research by Cerasoli et al. (2014) showed that financial incentives can increase work motivation, both intrinsically and extrinsically, especially when the incentives reflect certain performance achievements that are relevant to employees. Robbins and Judge (2018) also emphasized that incentives that are felt to be fair by employees tend to increase their motivation and drive to perform better.

Work motivation has a positive and significant influence on employee performance at the Public Works and Spatial Planning Agency of Asahan Regency. This means that the higher the level of employee work motivation, the better their performance will be. Employees who feel motivated tend to have a greater drive to work optimally, achieve targets, and demonstrate high commitment to their responsibilities. Previous research by Gomez-Mejia et al. (2016) supports this finding, stating that work motivation acts as a major driver that influences productivity and performance quality. Likewise, research by Robbins and Judge (2018), which shows

that employees with high levels of motivation usually have a stronger determination to achieve organizational goals, which ultimately has a positive impact on their performance. Work motivation increases employee enthusiasm and dedication, so they tend to produce higher performance and contribute significantly to achieving organizational goals.

Work motivation (variable Z) plays a significant mediator role between performance allowances (variable X) and employee performance (variable Y) at the Public Works and Spatial Planning Office of Asahan Regency. This means that performance allowances are more effective in improving employee performance if accompanied by increased work motivation. With high work motivation, the performance allowances provided are not only felt as financial rewards but also as intrinsic motivation for employees to achieve higher performance standards. Research by Cerasoli et al. (2014) supports this finding, which shows that financial incentives are more effective when accompanied by strong motivation, both intrinsic and extrinsic. In addition, Robbins and Judge (2018) stated that motivation is an important factor that strengthens the influence of incentives on performance, because motivated employees tend to be more proactive and committed to achieving organizational goals. Thus, work motivation plays an important role as a bridge connecting performance allowances with optimal performance results, strengthening the positive impact of these allowances on overall employee performance.

4. CONCLUSION AND SUGGESTIONS

4.1 Conclusion

From the results of the analysis of research data and the discussion described above, it can be concluded that:

1. Performance allowances do not have a significant effect on employee performance. This is evidenced by the T-statistic value of 0.900 (less than 1.96) and the P-value of 0.370 (more than 0.05), which indicates that increasing performance allowances does not contribute directly to increasing performance. Hypothesis H1 is rejected. Performance allowances do not directly have a significant effect on employee performance.
2. Performance allowance has a positive and significant effect on work motivation, with a T-statistic value of 104.907 (more than 1.96) and a P-value of 0.000 (less than 0.05). These results indicate that performance allowance encourages increased employee work motivation. Hypothesis H2 is accepted. Performance allowance has a positive and significant influence on employee work motivation.
3. Work motivation is proven to have a positive and significant influence on employee performance, with a T-statistic value of 6.955 (more than 1.96) and a P-value of 0.000 (less than 0.05). This shows that increasing work motivation contributes directly to increasing employee performance. Hypothesis H3 is accepted. Work motivation has a positive and significant effect on employee performance.

4. Work motivation is proven to mediate the effect of performance allowances on employee performance, with a T-statistic value of 6.949 (more than 1.96) and a P-value of 0.000 (less than 0.05). This means that performance allowances will be more effective in improving performance if accompanied by strong work motivation. Hypothesis H4 is accepted. Work motivation significantly mediates the effect of performance allowance on employee performance.

4.2 Suggestions

Based on the findings of this study, here are some suggestions that can be directed at institutions to improve employee performance:

1. Optimizing Performance Allowance Policy by considering that performance allowance has a greater impact when associated with work motivation, it is recommended that performance allowance be adjusted to specific and clear achievements. Allowances that are proportional to employee contributions will be more effective in increasing employee motivation and loyalty.
2. Work Motivation Enhancement Program: It is important for organizations to not only provide financial benefits, but also pay attention to other motivational factors, such as recognition, non-financial rewards, and opportunities for career development. By increasing employee intrinsic motivation, performance benefits will be more beneficial in encouraging optimal performance.
3. Integrated Training and Career Development with Benefits: Linking training and career development programs with performance benefits can motivate employees to develop their skills and contribute more. This will also help the organization in building a more competent and high-performing workforce.
4. Periodic Evaluation of Benefits and Motivation Policies: To ensure the effectiveness of benefits policies and motivation strategies, periodic evaluations are necessary. These evaluations will enable the organization to assess whether the performance benefits policies and motivation programs implemented are effective in improving employee performance and meeting organizational goals.

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