

# The Impact of Remuneration, Work Mutation and Career Development Towards Employee Performance in Kpp Pratama Sidoarjo Selatan

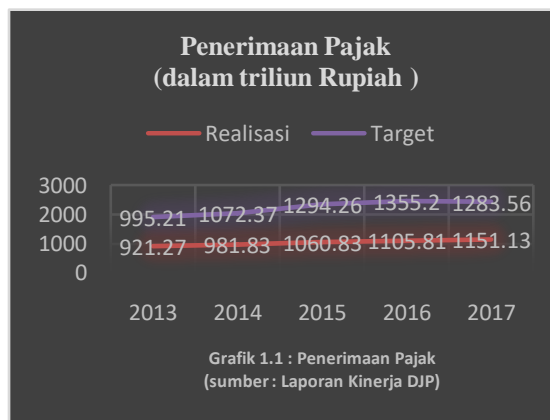
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**Abstract :** This research aims to know the impact of remuneration, mutation and career development towards employee performance in KPP Pratama South Sidoarjo. The used respondent is 92 employees of KPP Pratama Sidoarjo Selatan. The approach of this research is quantitative approach by using hypothesis testing which has the quality of causality. This research is included in confirmatory and explanatory research. The sampling method that is used in this research is census method where the entire population with total of 92 individuals is the sample through data collecting method by using questionnaire. The result indicates that (1) remuneration has significant impact on KPP Pratama Sidoarjo Selatan employee's performance (2) mutation has no significant impact on on KPP Pratama Sidoarjo Selatan employee's performance (3) career development has no significant impact on on KPP Pratama Sidoarjo Selatan employee's performance

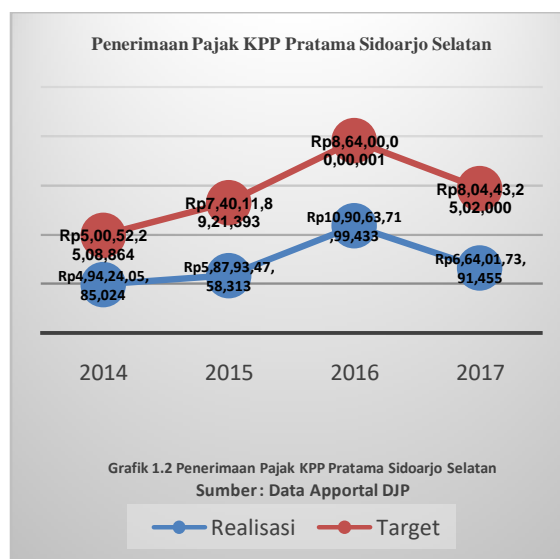
**Keyword :** Career development, Mutation, Remuneration, Performance.

## 1. INTRODUCTION

As the increasing burden in securing country's acceptance and lack of society trust toward the existing tax system, government need to commit a comprehensively reformation in order to prevent decreasing acceptance and tax obedience which later will have impact on the stability of country economy. According to the constitution number 17th year 2003 is mentioned that The Indonesian Budget (APBN) in a country is an instrument to manage country income and outcome in order to fund government agenda's administration and infrastructure, aiming economy growth, raising national income, accomplishing economic stability and determining direction with development priority generally. As a main Indonesian Budget (APBN) contributor in Indonesia, it is necessary to reform a consistent taxation with the dynamic of economy and world of business.



Graphic 1.1 shows an indication of increasing contribution of tax every year in the system of Indonesian Budget (APBN). This tax contribution holds an important role towards state acceptance so that performance of taxation sector must be able to fulfill portion of state acceptance significantly. KPP Pratama Sidoarjo Selatan is one of unit from 3rd echelon in Lingkungan Kantor Wilayah DJP Jawa Timur II also give their contribution in state taxation acceptance. Employee's performance is targeting KPP Pratama Sidoarjo Selatan to keep increasing every year as raising economy growth in its domain. Below is an achievement of performance from KPP Pratama Sidoarjo Selatan



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Graphic 1.2 shows an achievement of performance from KPP Pratama Sidoarjo Selatan which accomplish 82,54 % from the target. According to this data, performance of KPP Pratama Sidoarjo Selatan tend to fail achieving the target. Therefore, it is compulsory for the management to repair and find solution in order to improve performance of employee which later will have impact on organizational performance overall. As a main organization, Directorate of General Taxes formed a structure, system, information technology, organization workflow in its bureaucracy reformation. However, this matter cannot work well and optimal without good human resource which is expected to increase performance of organization overall. It is because human resource is biggest asset in organization which has impact in achieving organization's goal.

According to Robbin (2010) performance is function of interaction between ability, motivation and opportunity. Performance = f (AxMxO) means that performance is function of ability, motivation and opportunity. The target of organization will be accomplished if every individual in organization can work well, smart and giving their best contribution on their task. In addition, motivation allotment to employee also contributes to raise performance of employee. Remuneration allotment is a reward for employee which has accomplishes task giving by the chief (Risni Fitria, Adam Idris, Aji Ratna Kusuma, 2014). Reza Ferdiyono and Djoko Santoso (2018) conclude that remuneration gives positive impact toward performance. It means more remuneration resulting higher performance of employee. As Armstrong (2012) stated that giving reward system clearly one of the indicator which able to raise performance of employee either financially or non-financially. Compensation giving strategy application in remuneration by this organization is vital due to the ability to stimulate performing task more than what organization expected. Dean Mondy and Joseph Martocchio (2016:247) define compensation as total of all salary that is given to employee as reward for their job. The main purpose of compensation is to interest, keep and motivate employee by using the following mechanism (1) compensation in form of remuneration helps determining someone life standard (2) compensation is influencing on satisfactory of employee's performance, so it can giving impact toward better performance (3) types of payment such as incentive payment is harmonizing between employee's interest with company's mission in order to accomplish overall organization goals.

Due to organization attempt in increasing employee's performance, remuneration structure fixation and employee mutation pattern fixation is necessary. According to Minister of Finance policy 39/PMK.01/2009 about mutation pattern of career occupation in Department of Finance, Minister of Finance, Government policy number 9 year 2003, state about authority elevation, transporting and discharge of government employee. Transforming occupation mutation enacting working environment and zone become more enjoyable. Moreover, it can trigger motivation to achieve much better work achievement. Judas (2014:1220) state that mutation system is very important because it can make employee to feel that they are being respected and valued by an institution or organization due to

replacement of the right position. The point is mutation able to motivate employee performance and eventually fulfilling expectation of an institution .

Even though the purpose of mutation can increase morale and enthusiasm, it should be noted also other factors that influence the performance of employees. Every institution always demands optimal performance. Therefore, the management must always notices to factors that have impact on employee's performance. One of the factors that can motivate someone performance is career development. Chairperson needs to facilitate a clear career development in terms of achieving organization goal. The idea of career development is substantial in order to raising employee's performance. (Ni Made Candra Megita Atma Negara, 2014).

Based on the issue mentioned before, the researcher is interested to conduct research regarding effect of remuneration, mutation and career development toward employee's performance of KPP Pratama Sidoarjo Selatan.

## 2. LITERATURE REVIEW

Mangkunegara (2017:67) defined performance as result of work qualitatively or quantitatively that is achieved by an employee in doing their task based on responsibility given to them. Meanwhile Edy sutrisno (2010:172) concluded that definition of performance as result of employee's work from the aspect of quality, quantity, office hour and teamwork in order to achieving goals that sets by an organization. Robbins (2010) mentioned that employee's performance can be measured from six indicators, such as (1) quality that is measured based on employee's perception to work quality and task perfection toward employee's skill and ability (2) quantity, in terms of how many/much things is produced such as total unit or activity cycle done (3) time accuracy is a level of an activity done in early time given, according to coordination angle, output result and maximizing available time for another activity (4) effectiveness is level of usage of organizational resource (effort, money, technology and raw material) that is maximized to aim increasing result from each unit in using resource (5) independence involves judging employee from their job (6) employee commitment is a relationship among worker and work commitment to institute with their responsibility to their company

### *The Relationship Between Remuneration and Performance*

Mangkunegara (2017:74) stated that organization plays a role in developing a good salary system and balance in order to improve employee's performance. This can be manifested through internal sector changing or rearrangement on remuneration. A good salary structure will have trigger an optimal performance from each employee. This remuneration aims to give motivation and justice value to each employee so they able to compete in healthy environment which will trigger each employee to work optimally. Thus, remuneration holds a significant role in achieving target and goal set by an organization (Dina Kristiana : 2015). As the research conducts by Juairiah dan Rosyidah (2017) explaining that remuneration has

significant impact toward performance meaning that the more remuneration given, the higher employee's performance achievement. Remuneration allotment is one of the factors that motivates and gives justice to each employee to compete in order to achieve maximum result. Therefore, the hypothesis of this research is:

H0 : remuneration influences significantly toward employee's performance

#### *The Relationship between Work Mutation and Performance*

Hasibuan (2007:102) defined mutation as a transition of post/position/place/task that is done horizontally or vertically (promotion) in an organization. Horizontal mutation (job rotation/transfer) is a changing place or position of employee but still in the same ranking in the organization. Vertical mutation is changing place of position/post/promotion job or demotion so that changes occur in terms of obligations and authority within an organization. This employee mutation is one of the functions in development, this is in accordance with the purpose of the mutation, namely to increase the efficiency and effectiveness of work in the organization. BB Mahapatro (2010; 87) states that the transfer is generally a more satisfactory work team and to achieve the following purposes (1) to increase the effectiveness of the organization (2) to increase the versatility and competency of key positions (3) to deal with fluctuations in work requirements (4) to correct incompatibilities in employee relations (5) to correct, erroneous placement (6) to relieve monotony (7) to adjust workforce and (8) to punish employees. This employee transfer will be able to place employees in the position of "the right man on the right place" so that employee performance will increase. This is supported by research conducted by Emi Nursanti, Naili Farida and Widayanto (2014) who concluded that the movement of employees has a positive effect on performance, which means that if the movements perceived by employees are as expected, the resulting performance will be maximized. Abubakar tabiu et al (2016) also concluded that the transfer of employees affected performance. Based on this, the following hypotheses are obtained:

H0 : Work mutations have a significant effect on performance.

#### *The Relationship between Career Development and Performance*

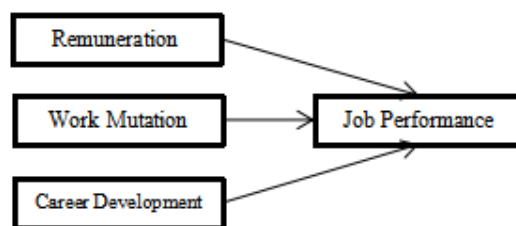
Citing the understanding of Andrew J Dubrin (1982: 197) in Mangkunegara (2017: 77) suggests that "Career Development from the standpoint of the organization, is the personnel activity which helps individuals plan their future career within the enterprise, in order to help the enterprise achieve and the employee achieves maximum self-development ". From Andrew J Dubrin's opinion, career development can be interpreted as staffing activities that help employees plan future careers in the company so that the company and employees concerned can develop themselves to the maximum. As for the career development path as mentioned by Arif Yusuf Hamali (2018: 153), among others are (1) Enrichment, namely the development and increase of exceeding special assignments, is a general form of career development (2) Lateral is the development towards the side of another job may be more suited to his

skills and provide broader experience, new challenges and give greater trust and satisfaction (3) vertically, namely upward development in positions that have greater responsibility and authority in the area of special expertise (4) Relocation namely the physical transfer to another organizational unit or to a place that can complement the opportunities for growth and improvement as well as the ability of employees to remain in the same job (5) Exploration that is exploring more broadly to career choices within organizational units to seek and gather information so that it can answer questions and make a decision about the career potential to be chosen and (6) Realignment is a downward movement that can reflect a shift or exchange of job positions for employees to reduce risk, responsibility and stress, placing the position of the employee in a more appropriate direction as well as an opportunity for new opportunities. Faustyna and Jumani (2015) concluded that career development has a significant effect on employee performance. This means that the more clearly the development of employee career in the organization, the employee's performance will increase. Ahmad Munif, Tatiek Nurhayati, Hardani Widhiastutie (2018) concluded that career development has an effect on performance, meaning that the better career development, the more employee performance will improve. Referring to the explanation above, the hypothesis can be formulated as follows :

H0 : Career development has a significant effect on performance.

#### *Theoretical framework*

Based on the theoretical study above, the following framework of thought for this study.



**Frame 2.1 : Theoretical Framework**

#### *Data Collection Technique*

This research is quantitative research conducted using survey methods through filling out questionnaires with the object of research is employees at the Tax Service Office (Kantor Pelayanan Pajak/KPP) Pratama Sidoarjo Selatan. The population in this study were all civil servants in the KPP Pratama Sidoarjo Selatan, with total of 92 individuals as respondents. The technique used to determine the sample in this study is Saturated Sampling or Total Sampling, which is a sample taking technique where the number of samples is equal to the number of population (Sugiyono, 2009). This method is chosen because according to Sugiyono (2009) the population is less than 100 or relatively small, the entire population can be used as a research sample. The number of respondents is taken 92 respondents.





A statement given a weight using a Likert scale, neither agree nor agree, disagree, disagree and strongly disagree. Judgment with the following weights:

**Table 2.2 Assessment for research variables**

Information	Total Weight
Strongly Agree	5
Agree	4
Neither agree nor disagree	3
Disagree	2
Strongly disagree	1

Data collection is done by distributing questionnaires to the respondents. The questionnaire consists of 4 variables, namely 1) Remuneration Variables, 2) Mutation Variables, 3) Career Development Variables and 4) Employee Performance Variables. The scale used is the Likert scale with a range of answers 1 to 5. Of the 92 questionnaires distributed, only 82 respondents answered.

**Data Analysis Method**

The data analysis method that will be used in this study consists of Classical Assumption Test and Hypothesis Test. The data analysis technique uses the help of SPSS software. Classical Assumption Test includes Normality Test, Linearity Test, Multicollinearity Test and Heteroscedasticity Test.

The statistical method used to test hypotheses is multiple regression on the grounds that this tool can be used as a predictive model of the dependent variable with several independent variables. The results of the regression analysis are in the form of coefficients for each independent variable. The accuracy of the sample regression function in estimating the actual value can be measured by goodness of fit. Statistically this can be measured from the coefficient of determination value, the statistical value f. Statistical calculations are called statistically significant if the test values are statistically in the critical area. This hypothesis test was carried out with the SPSS program. The regression models used to test hypotheses are as follows:

$$Y = a + b1X1 + b2X2 + b3X3 + e$$

Information:

Y = Employee Performance

X1 = Remuneration

X2 = Mutation

X3 = Career Development

**3. RESULTS AND DISCUSSION**

**Gender:** Based on the results of the study, respondents were 49 male and 33 female

**Education:** based on high school education strata as many as 10 people, Diploma 24 people, D4 / S1 as many as 36 people and S2 as many as 12 people.

Before using regression analysis, a prerequisite test was carried out, namely normality test, multicollinearity test and heteroscedasticity test. From the normality test the results show that the data is normally distributed.

Normality test

Testing the normality of the spread of data scores can be done using the one sample kolmogorov smirnov test. The

significance level used as a basis for normal decisions. At least a data distribution is  $\alpha = 0.05$

	MUTASI	REMUNERASI	PERKEMBANGAN_KARIR	KINERJA	
N	82	82	82	82	
Normal Parameters <sup>a,b</sup>	Mean	24.91	40.48	49.87	41.27
	Std. Deviation	4.884	4.536	2.023	4.208
Most Extreme Differences	Absolute	.111	.076	.139	.133
	Positive	.111	.076	.092	.048
	Negative	-.092	-.063	-.139	-.133
Test Statistic	.111	.076	.139	.133	
Asymp. Sig. (2-tailed)	.014 <sup>c</sup>	.200 <sup>c,d</sup>	.000 <sup>e</sup>	.001 <sup>e</sup>	

a. Test distribution is Normal.  
 b. Calculated from data.  
 c. Lilliefors Significance Correction.  
 d. This is a lower bound of the true significance.

From the normality test it is known that each variable has a significance > 0.05. Where the significance value for the mutation variable is 0.111, for the remuneration variable a significance number of 0.076 is obtained, for the career development variable the significance number is 0.139 and for the performance variable shows a significance number of 0.133, this means that the data distribution for each variable is normal.

**Homogeneity Test**

From the results of the homogeneity test can be seen each significance score, mutation variable of 0.494, remuneration of 0.496 and career development of 0.747. This means that the score of each variable is greater than the significance level of 0.05. Based on this value, it can be said that the distribution of data comes from homogeneous samples

**Test of Homogeneity of Variances**

	Levene Statistic	df1	df2	Sig.
MUTASI	.972	15	64	.494
REMUNERASI	.970	15	64	.496
PERKEMBANGAN_KARIR	.729	15	64	.747

**Linearity Test**

**ANOVA Table**

	Sum of Squares	df	Mean Square	F	Sig.	
KINERJA * MUTASI	Between Groups (Combined)	364.584	19	19.189	1.112	.362
	Linearity	32.895	1	32.895	1.907	.172
	Deviation from Linearity	331.689	18	18.427	1.068	.404
Within Groups	1069.514	62	17.250			
Total	1434.098	81				

Based on the data it is known that the significance level of the mutation is 0.362, the remuneration is 0.172 and career development is 0.404. Then it can be said that there is a linear relationship between variables.

**Multicollinearity Test**

**Coefficients<sup>a</sup>**

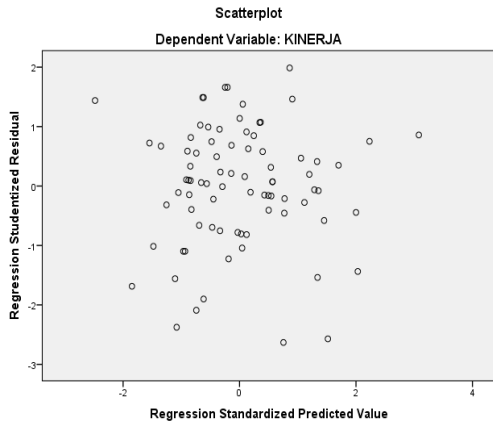
Model		Collinearity Statistics	
		Tolerance	VIF
1	MUTASI	.971	1.030
	REMUNERASI	.965	1.037
	PERKEMBANGAN_KARIR	.985	1.015

a. Dependent Variable: KINERJA

Based on the data it is known that the VIF value is close to 1 for all independent variables. Similarly, the tolerance value approaches 1 for all independent variables. Thus, it can be concluded that in the regression between mutase free variables (x1), remuneration (x2), and career development (x3) on performance (y) there is no multicollinearity between independent variables



Heterocedasticity test.



From the above output it can be seen that the points do not form a clear pattern, and the points spread above and below the number 0 on the Y axis. So it can be concluded that there is no problem of heteroscedasticity in the regression model

Determination Coefficient Test R2

Model Summary<sup>a</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson	
					R Square Change	F Change	df1	df2		Sig. F Change
1	.183 <sup>a</sup>	.034	-.004	4.215	.034	.903	3	78	.443	1.184

a. Predictors: (Constant), PEREMBANGAN\_KARIR, MUTASI, REMUNERASI

b. Dependent Variable: KINERJA

The determination coefficient is 0.034 = 3.4%, it can be said that the contribution of mutation, remuneration and career development explains the performance variable of 3.4% and the remainder is explained by other variables outside the tested variable.

Non Autocorrelation Test

Model Summary<sup>a</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson	
					R Square Change	F Change	df1	df2		Sig. F Change
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a. Predictors: (Constant), PEREMBANGAN\_KARIR, MUTASI, REMUNERASI

b. Dependent Variable: KINERJA

Tested using Durbin Watson (DB). The DB value must be <1 and> 3. Based on the data above, it is known that the Durbin Watson value is 1,184, which means that there is no autocorrelation.

Test of Multiple Linear Regression Analysis

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Correlations			Collinearity Statistics		
		B	Std. Error	Beta	t			Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	53.876	12.766			4.220	.000						
	MUTASI	-.129	.097	-.160	-1.324	.189	.084	-.151	-.148	-.147	.971	1.030	
	REMUNERASI	.020	.105	.022	.195	.846	.406	.009	.022	.022	.985	1.037	
	PEREMBANGAN_KARIR	-.205	.233	-.099	-.879	.382	.702	-.109	-.099	-.099	.985	1.015	

a. Dependent Variable: KINERJA

The regression equation is as follows:

$$Y = 53,876 - 0,129X1 + 0,020X2 - 0,205X3$$

The regression equation means the mutation regression coefficient (X1) has a negative value of -0.129. This shows that mutations have no positive effect on performance. According to Sastrohadiwiryo (2002: 214) suggests there are three types of employee rejection of employee mutations, among others (1) logical or rational factors (2) psychological factors (3) sociological factors (group

interests). Nuraini (2015) concluded that work mutations had no effect on employee performance partially meaning that there was no positive and significant influence between work mutations and performance.

The X2 regression coefficient of remuneration is 0.020, meaning that if the other independent variables are fixed and X2 has a one point increase, then the performance will increase by 0.020. the coefficient is positive, meaning that there is a positive relationship between remuneration and performance, the higher the value of remuneration, the higher the performance will be.

Career development regression coefficient (X3) has a negative value of -0.205, which means that if the other independent variables are fixed and X3 has a 1-digit increase, then the performance (Y) decreases by 0.205 coefficient is negative, meaning there is a negative relationship between X3 variables between increasing kariri (X3 ) and performance. The higher the value of career improvement, the lower the performance value.

4. CONCLUSIONS

1. Work mutations have no significant effect on employee performance at KPP Pratama, South Sidoarjo
2. Remuneration has a significant effect on the performance of employees at KPP Pratama, South Sidoarjo
3. Career development has no significant effect on the performance of KPP Pratama South Sidoarjo employees

Suggestion

1. The transfer of work must pay attention to the tour of duty and tour of area so that the mutation pattern becomes very dynamic and guarantees more certainty of displacement so that this mutation does not reduce employee performance
2. Performance appraisal is carried out to identify the weaknesses of each employee and their potential. Thus, it can optimize excellence and overcome weaknesses by providing useful training in the context of employee career development

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