The Challenges and Solutions of State Islamic Universities Post Remuneration Implementation

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Abstract

Purpose: The remuneration is a working reward system applied to the BLU-Satker. 15 of 19 PTKIN-BLU have already implemented remuneration. This research aims to identify the challenges of PTKIN BLU after implementing remuneration.

Methodology: The research method used a qualitative method of descriptive by adding quantitative data analysis. UIN Sunan Kalijaga Yogyakarta and UIN Sultan Maulana Hasanuddin of Banten are the samples in this research. They are representative of PTKIN BLU in big size and small size.

Findings: Managers and employees of BLU who became the informant in this study stated that PTKIN BLU has the challenges. BLU income has not been optimal, an unobjective and measurable performance assessment system and have differences of opinion among BLU managers. However, some efforts have been made by PTKIN BLU to succeed in the implementation of remuneration. They are the strengthening of the business unit, the addition of postgraduate departement and establishing and developing an adequate performance assessment system.

Novelty: This study identifies in more detail what challenges are faced when remuneration is applied so that it can affect the performance of employees and organizations. In addition, this study also identified the efforts of BLU managers to overcome these challenges and obstacles.

Keywords: Remuneration, Public Service Agency (BLU), Performance.

Introduction

In accordance with its development, some State Universities are gradually trying to break away from their dependence on the government. Therefore, the existence of government regulations such as State-Owned Legal Entities (Badan Hukum Milik Negara-BHMN), State-Owned Education Legal Entities (Badan Hukum Pendidikan Milik Negara-BHPMN), and Public Service Agencies (Badan Layanan umum-BLU) is welcomed by several universities as the first step to become an independent university. BLU according to Government Regulation number 23 of 2005 Article 1 is an agency within the government that is formed to provide services to the community in the form of providing goods and/or services that are sold without prioritizing finding benefits and in carrying out their activities based on the principles of efficiency and productivity. BLU is one of the sources of non-tax state income (Penerimaan Negara Bukan Pajak-PNBP), however, profit is not the main purpose of establishing BLU. The purpose of establishing BLU is to improve services to the community in order to advance the general welfare and educate the nation's life. However, BLU has the authority to implement healthy business practices just as it does with profit-oriented organizations.

As a university that implements the Financial Management Pattern of the Public Service Agency (BLU), universities continue to be required to continue to provide services to the community. Increasing quality of services to stakeholders, BLU's financial performance will also increase. Financial performance is an important factor for assessing the overall performance of the organization. In BLU Universities, most of the income obtained comes from educational services, while to be independent university, it must be able to increase income other than educational services.

There are limitations in managing and utilizing BLU fixed assets, especially those in the form of land and buildings, although BLU has flexibility management. Based on several rules, land and buildings controled by BLU, must be used in accordance with the main duties and functions (Sugiharti, 2014). Normatively there is no provision that authorizes the power of the user of the goods to use it for other purposes.

Senjani, (2017) revealed that a fairer remuneration implementation system and providing awards based on performance objectively are the main determining factors in the success of remuneration implementation, because remuneration aims to provide income to employees based on their performance achievements as mandated in KMK 1178 of 2015. If remuneration can improve individual performance on BLU satkers, then it is expected to contribute to improve organizational performance.

Research on remuneration has been carried out by several previous researchers. One of them is Sancoko, (2010) who researches the effect of remuneration on the quality of public services. The findings are that the implementation of remuneration affects the quality of public services at KPPN Jakarta I. Visible satisfaction from customers is related to facilities and infrastructure.(Sancoko, 2010).

Remuneration is also associated with motivation and performance. The remuneration policy is expected to improve the employee performance. Employee performance is influenced by fairness in remuneration, feasibility of providing remuneration and remuneration system (Ardiyanti, 2016). Remuneration should be able to increase motivation, then performance and finally be able to improve the quality of public services (Susanto, 2016). The current remuneration policy is misguided and targeted. For this reason, the government needs to include a remuneration policy by imposing harsh and strict sanctions on every employee who makes mistakes, indisciplinears, and even violates laws and regulations. Thus, BLU applying remuneration are considered to still have obstacles and challenges to achieve the goal of remuneration.

Based on the background of the above problems, the purpose of this study is to find obstacles and challenges faced by PTKIN BLU in the implementation of remuneration. Unlike the previous research which related remuneration with performance, this study identifies in more detail what challenges are faced when remuneration is applied so that it can affect the performance of employees and organizations. In addition, this study also identified the efforts of BLU managers to overcome these challenges and obstacles.

Literature Review

BLU has flexibility in financial management, That flexibility consists of revenue management, cash management, receivables management, investment, acquisition of goods and services, accounting policies, remuneration system, use of budget surpluses/deficits, and human resources management (Waluyo, 2011). With this flexibility, BLU is expected to provide the best service to the community by utilizing its resources. BLU is required to achieve the targeted performance. To improve service performance, BLU can reward its employees in the form of remuneration.

Remuneration is a system of providing income or payroll to employees objectively and fairly. The remuneration applied in government institutions is sourced from pure rupiah (Rupiah Murni-RM) funds which are also known as state budget funds (Anggaran Pendapatan dan Belanja Negara-APBN) and/or sourced from non-tax state revenues (Penerimaan Negara Bukan Pajak-PNBP) funds or commonly referred to as BLU funds. (Senjani, 2017)

Remuneration consists of salary, honorarium and performance incentives. Salaries are paid by taking into account the class, position value, responsibilities and/or length of service. Honororarium is given to the BLU Supervisory Board which is sourced from PNBP funds. Performance Incentives are given to managing officers/employees sourced from PNBP funds based on the achievements of key performance indicators (KPIs) that have been stipulated in the performance contract. (KMK No. 1178, 2015).

Remuneration has an impact on some things. Remuneration can increase the satisfaction of lecturers in universities. (Abror et al., 2020; Nazir et al., 2013) To achieve a decent normal life, a salary package system such as remuneration becomes important. The applicable remuneration component consists of the best lecturer award, publication incentives and research grants. This form can also be used for staff. Organizational Citizenship Behavior (OCB) theory can be defined as the behavior of an employee who wants to support another employee or organization, even if it is not the responsibility of the other employee or organization. The OCB actually has some precursors (eg job satisfaction and employee involvement) and consequences (eg employee loyalty and performance) (Lanndon et al., 2018). If employees get job satisfaction and perform well, it can also improve organizational performance.

The other theory about behavior related to remuneration or compensation system is Theory of Hope. This theory explains that the power to motivate someone to work hard comes from the interrelationship between what they want and their needs. The theory of hope is based on expectations, values and relationships. There are three variables in this theory, (1) Attractiveness, (2) job performance and compensation relationship, and (3) business and job performance relationship (Vroom in Sutrisno, 2009). Remuneration is one of compensation to give reward to employees as their hope when they do work well.

Methodology

This research is also referred to as a type of qualitative research. Qualitative research is research that uses a natural setting, with the intention of interpreting phenomena that occur and are carried out by means of involving various existing methods. (Moloeng, 2014)

The population in this study is a BLU task force in the field of education within the Ministry of Religious Affairs of the Republic of Indonesia. Sample determination is carried out 2 (two) times. The first is to determine which PTKIN BLU will be researched and the second is to determine the resource persons to be asked for information in an effort to answer research questions.

The selected PTKIN sample is based on data obtained from the Directorate of Financial Management Development BLU (PPK-BLU) of the Directorate General of Treasury of the Ministry of Finance. From 19 PTKIN BLU, researchers determined 2 PTKIN BLU that were sampled in this study:

a. UIN Sunan Kalijaga Yogyakarta

As a representative of PTKIN BLU who has implemented remuneration and with a significant increase in income since the implementation of Remuneration in 2016.

b. UIN Sultan Maulana Hasanuddin Banten

As a representative of PTKIN BLU who has implemented remuneration but with a relatively low amount of income and implemented remuneration in a fairly new time.

After the selection of PTKIN BLU which is the sample, the next step is to determine the source of the informant to be interviewed. The technique of assigning samples in this case uses purposive sampling with the following criteria:

a. Active status at PTKIN BLU

b. Have received income from BLU remuneration

c. Have a position as (one of):

1) Lecturers

2) Lecturers with Additional Tasks in Organizational Structure

3) Staff
4) Structural Positions Employees

The collected data will be analyzed using qualitative data analysis techniques of interactive models (Miles et al., 2014). Interviews are conducted using an open standard type of interview that contains what questions should be given to informants.

Results and Discussion

The results of this study began with the delivery of the interview results from the speakers. The interview is conducted directly by the researcher by asking questions that have been compiled. Every source gets the same question. After documenting the answers, the researchers analyzed whether there were significant differences in answers between them.

a. Perceptions of PTKIN BLU managers regarding Remuneration

The speaker defines remuneration as a performance allowance. Based on PMA number 6 of 2016, Remuneration is defined as employee remuneration received by the managing officer, supervisory board, secretary of the supervisory board and employees of PTKIN PK-BLU based on the level of responsibility and demands of the profession. There is an agreement on the understanding that remuneration is an additional income received by BLU employees and paid in accordance with the resulting performance achievements.

b. Efforts of PTKIN BLU managers to succeed in the implementation of Remuneration

Both UIN Yogyakarta and UIN Banten are trying to increase BLU revenue through increasing Business Units and Cooperation with third parties. UIN Sunan Kalijaga has hotel, hotels, travel services such as ticketing and Umrah and selling products to the public. The products that have been marketed are bottled water and some merchandise. UIN Sunan Kalijaga business unit also provides space rental services for graduation, wedding or other events. The same is done by UIN Bnten, they provide rental services for several multipurpose rooms and sell several products such as bottled water and seminar kits.

c. Challenges of PTKIN BLU in the implementation of Remuneration

Education personnel who have the status of civil servants in the UIN Sunan Kalijaga Yogyakarta and UIN Sultan Maulana Hasanuddin Banten have experienced getting performance allowances (Tunjangan Kinerja-TUKIN) provided by the central government. They feel that Tukin is more palatable than remuneration because to get Tukin employees simply report attendance performance without reporting the output produced. In addition, the tukin payment tax is borne by the government so that employees receive income in gross amounts. Meanwhile, with the remuneration system, taxes are charged to employees so that the income received is the net amount and the basis for remuneration payments is based on the value of attendance, performance achievements (output and quality) and behavioral values assessed by the direct supervisor. This kind of understanding of employees is an obstacle in the early days of remuneration implementation.

The second challenge is in the performance reporting process. UIN Sunan Kalijaga Yogyakarta still uses a manual performance reporting system for education personnel. To improve the quality of assessment, the Remuneration Team and Information Technology and Database Center (Pusat Teknologi Informasi dan Pangkalan Data-PTIPD) have developed an online-based employee performance appraisal system. Nevertheless, the assessment component is still porses-based, not performance output-based.

The third challenge faced by UIN Sultan Maulana Hasanuddin Banten is unoptimal BLU income. However, this obstacle was not faced by UIN Sunan Kalijaga Yogyakarta. Since 2018 UIN Sunan Kalijaga Yogyakarta has developed several new business units and increased the number of postgraduate

study programs in the faculty so that income also increases. The number of postgraduate study programs at UIN Sunan Kalijaga Yogyakarta in 2017 is 11, but since 2019 has 15 study programs. In 2019, it was equivalent to 26.79%.

Meanwhile, UIN Sultan Maulana Hasanuddin Banten still has problems in developing its business units. There is still an understanding that the funds issued by business units are considered consumables, while the expenditures carried out are to increase capital in order to increase BLU income.

d. Perceptions of PTKIN BLU managers regarding the relationship between Remuneration and Employee Performance

The resource person expressed confidence that remuneration can improve employee performance. UIN Sunan Kalijaga Yogyakarta shows this in the performance of lecturers. With a performance assessment based on the amount of output produced, the division of the number of teaching credits is currently more evenly distributed than before the remuneration was applied. As for employees, because they still do not use performance measurements objectively and quantitatively, remuneration has not had an impact on employee performance appraisal. This is shown by the service satisfaction index which has not increased in the last 3 years.

The resource person in this study from UIN Sultan Maulana Hasanuddin Banten stated that since the existence of the employee remuneration system, performance has improved. This is because if their performance value is small, they receive a small amount of remuneration, so they seek to increase their performance value in the next period.

The informants have understood that the University already has a performance appraisal system as the basis for paying remuneration. UIN Banten has several performance appraisal systems, namely IKU, SKP and SKR which are united in one application, namely e-remun.

For UIN Sunan Kalijaga Yogyakarta, the online and integrated assessment system is for lecturers on the http://bkd.uin-suka.ac.id website. In the system, there is a BKD performance report for professional responsibility (the basis for the distribution of professional allowances/ lecturer certification) and a remuneration performance report for the academic performance component. The system has been integrated with several online systems, namely the Attendance System, Letter System and Academic Information System. As for the IKU assessment component for lecturers with additional assignments and SKP for lecturers with special assignments (lecturers seconded at the Institution or UPT at the university level) still use ms. Excell's help manual report and Google Form. To obtain the performance aggregation value of each lecturer, the remuneration implementation team inputs the IKU / SKP value into the integrated BKD system.
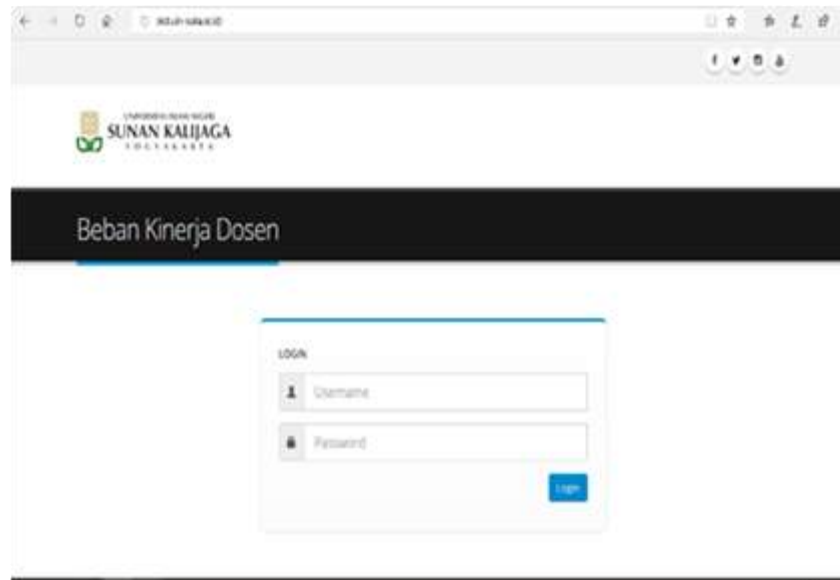
**Figure 1.** Integrated BKD Report Home Page

UIN Sunan Kalijaga Yogyakarta has also implemented a reward system for lecturers who have published articles in reputable international journals. Meanwhile, UIN Sultan Maulana Hasanuddin Banten has not implemented it. UIN Sunan Kalijaga Yogyakarta has also paid remuneration with a performance value above 100% for both lecturers and employees.

e. Perception of PTKIN BLU managers regarding the effect of remuneration on institutional performance (Financial and Service Performance)

The second informants of PTKIN said that there was an increase in the quantity of finance and sarpras as well as an increase in the quality of academic and non-academic services. This is also supported by the Main Performance Achievement Report submitted by UIN Rector Sunan Kalijaga Yogyakarta and UIN Sultan Maulana Hasanuddin Banten to the Ministry of Finance reaching above 100%. UIN Yogyakarta reached a value of 155% and UIN Banten reached 122%. In 2018 UIN Yogyakarta implemented remuneration in the 3rd year, while for UIN Banten in 2018 was the 2nd year of remuneration implementation. If you look at the IKU achievements of the two UIN in the 2016-2018, it has increased, especially when remuneration is implemented. This shows that remuneration has an impact on improving institutional performance produced through the cooperation of individuals in it.

In the last 3 years, both UIN Banten and UIN Yogyakarta have experienced an increase in financial performance which is reflected in the increase in the realization of BLU Revenue as shown in the following chart:
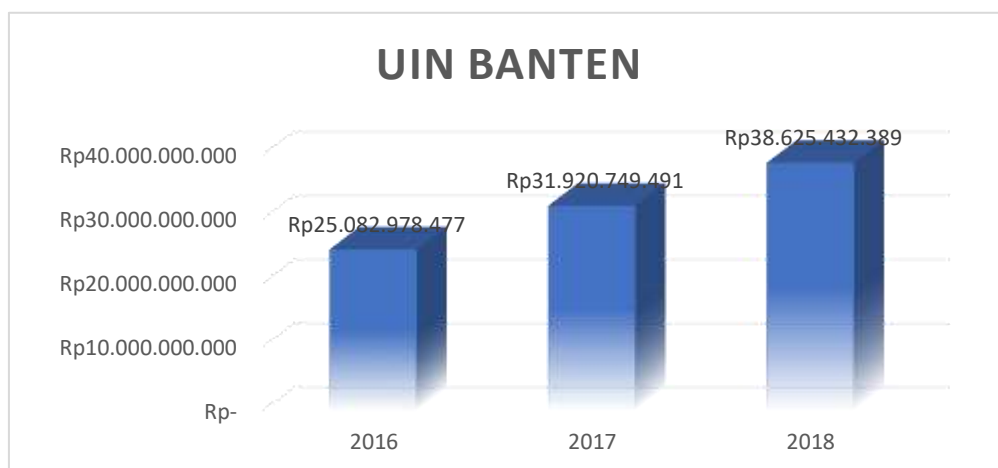
Figure 2. Income Growth

Not only the improvement in financial performance, but these two PTKIN showed an increase in academic quality which was reflected in the IKU component of the average accreditation score of the study program as shown below:
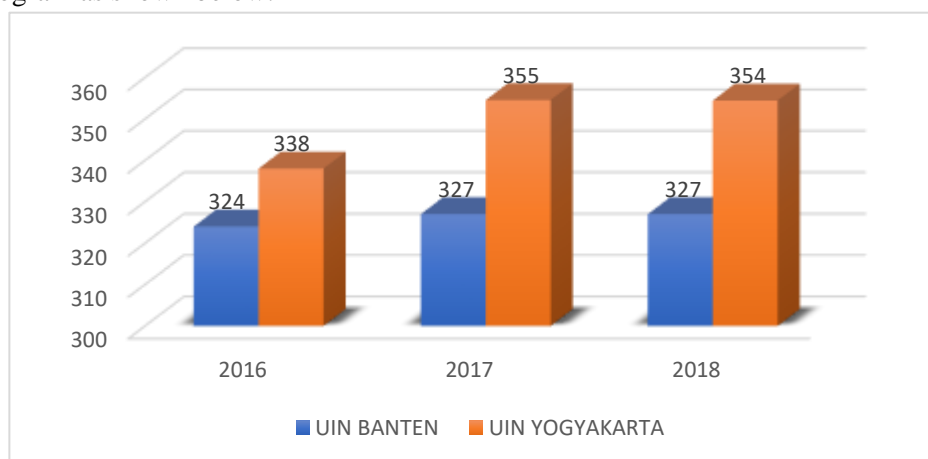
Figure 3. Average Accreditation Score

One of the important purposes of establishing BLU is to improve the quality of service to the community. The measuring instrument used is to look at the service satisfaction index obtained from the distribution of questionnaires to service users. Here is the value of the Satisfaction Index Services of both Colleges.
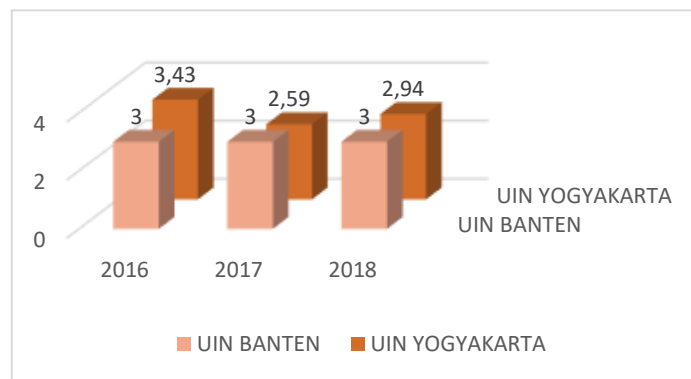
Figure 4. Service Satisfaction Index

Based on the chart above, the level of service satisfaction still has not reached the maximum score of 4. This shows that BLU still needs to improve management system in order to provide the best services to stakeholders.

Conclusions

In this study, several things can be concluded regarding the challenges of PTKIN BLU in the implementation of remuneration using several analytical approaches. The first is the perception of PTKIN BLU managers regarding Remuneration which states that remuneration is an additional reward given to BLU employees based on the performance achieved and remuneration is a legal consequence as a BLU task force in accordance with the mandate of the law, namely PP 74 of 2012 concerning Public Service Agencies.

The second approach is to look at the efforts of PTKIN BLU managers to succeed in implementing Remuneration. UIN Sunan Kalijaga Yogyakarta and UIN Sultan Maulana Hasanuddin Banten, succeeded in implementing remuneration by building a performance appraisal system as the basis for remuneration payments. The development of a performance assessment system is included in the control system built by universities to be more transparent, objective and accountable. Good control will affect work motivation and will eventually improve performance. (Jayakusuma et al., 2018)

This study also explains the perception of PTKIN BLU managers regarding the relationship between remuneration and employee performance. Several informants explained that employee performance is the basis for remuneration payments. The higher the performance value, the more remuneration received. In addition to employee performance, the implementation of remuneration also affects institutional performance according to the perception of PTKIN BLU managers. This can be seen from the reports on the achievements of UIN Yogyakarta and UIN Banten which increased from the previous year.

Based on the description above, it can be concluded that PTKIN BLU still has challenges in implementing remuneration. However, BLU managers, especially UIN Sunan Kalijaga Yogyakarta and UIN Banten, are trying to face these challenges by making improvements in the performance appraisal system and remuneration payment system. Adding business units to increase income is also carried out by universities. Facts show that remuneration is not attractive if the amount received is not much.

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