

Analysis of the effect of additional employee income on job satisfaction and employee performance at the population and civil registration office of Serdang Bedagai Regency

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ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh Tambahan Penghasilan Pegawai (TPP) terhadap kepuasan kerja dan kinerja pegawai, serta menguji peran kepuasan kerja sebagai variabel *intervening* pada Dinas Kependudukan dan Pencatatan Sipil Kabupaten Serdang Bedagai. Penelitian ini menggunakan pendekatan kuantitatif dengan desain *explanatory research*. Sampel penelitian berjumlah 25 pegawai yang menerima TPP dan ditentukan menggunakan teknik sampel jenuh. Data dikumpulkan melalui kuesioner yang disusun dari 51 butir pernyataan dan dianalisis menggunakan *Structural Equation Modeling-Partial Least Squares (SEM-PLS)*. Hasil penelitian menunjukkan bahwa TPP berpengaruh positif dan signifikan terhadap kepuasan kerja, kepuasan kerja berpengaruh positif dan signifikan terhadap kinerja pegawai, sedangkan TPP tidak berpengaruh signifikan secara langsung terhadap kinerja pegawai. Selain itu, kepuasan kerja terbukti berperan sebagai mediasi penuh dalam hubungan antara TPP dan kinerja pegawai. Temuan ini menunjukkan bahwa peningkatan kinerja pegawai lebih efektif dicapai melalui kebijakan TPP yang mampu meningkatkan kepuasan kerja terlebih dahulu.

Kata Kunci: tambahan penghasilan pegawai; kepuasan kerja; kinerja pegawai; mediasi; SEM-PLS

ABSTRACT

This study aims to analyze the effect of Employee Income Supplement (TPP) on job satisfaction and employee performance, and to examine the role of job satisfaction as an intervening variable at the Population and Civil Registration Office of Serdang Bedagai Regency. This study uses a quantitative approach with an explanatory research design. The research sample consisted of 25 employees who received TPP and was determined using a saturated sampling technique. Data were collected through a questionnaire composed of 51 statements and analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS). The results showed that TPP had a positive and significant effect on job satisfaction, job satisfaction had a positive and significant effect on employee performance, while TPP had no significant direct effect on employee performance. In addition, job satisfaction was proven to play a full mediating role in the relationship between TPP and employee performance. These findings indicate that improving employee performance is more effectively achieved through TPP policies that can first increase job satisfaction.

Keyword: additional employee income; job satisfaction; employee performance; mediation; SEM-PLS

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1. INTRODUCTION

Human resources play a vital role in determining organizational success, particularly within the public sector. In government agencies, the quality of personnel profoundly influences the effectiveness of task execution, the achievement of organizational goals, and the overall quality of public services delivered to the

community. The OECD emphasizes that modern public services require an adaptive and competent workforce, supported by personnel management systems capable of fostering a productive work environment while ensuring employee satisfaction (OECD, 2021). Similar findings are reflected in the Federal Employee Viewpoint Survey report, which demonstrates that work experience, satisfaction levels, and employee perceptions of the organization are closely linked to organizational health and trust in the performance of public institutions (U.S. Office of Personnel Management, 2023).

One government agency that holds a strategic role in public service delivery is the Population and Civil Registration Office of Serdang Bedagai Regency. This institution is responsible for administering civil registration, ranging from issuing identity cards, family certificates, birth certificates, and death certificates, to various other civil documents. The nature of the work within this agency demands that employees operate swiftly, accurately, meticulously, and responsively toward public needs. Consequently, employee performance becomes a critical factor in determining the quality of the public services provided. Within the context of public management, strengthening the quality of civil servants is also an essential part of efforts to enhance the organizational effectiveness of service agencies (OECD, 2021).

In an effort to boost morale and productivity among civil servants, local governments have implemented various compensation policies, one of which is the provision of Employee Additional Income (*Tambahan Penghasilan Pegawai*—TPP). Normatively, TPP for civil servants in local governments is granted by considering job grading, regional fiscal capacity, construction cost indexes, and several other criteria, such as workload, job performance, working conditions, scarcity of profession, and other objective considerations (Kementerian Dalam Negeri, 2024). Thus, TPP is understood not merely as supplemental income, but also as a policy instrument utilized to drive motivation, discipline, and employee performance through a more measurable reward system.

From a human resource management perspective, compensation that is perceived as fair and proportional to work contributions can enhance employee job satisfaction. Zayed et al. (2022) demonstrated that compensation systems positively affect employee satisfaction, and this relationship strengthens when supported by work motivation. Aman-Ullah et al. (2023) also asserted that compensation plays a role in shaping employee behavior through job satisfaction. This indicates that compensation policies carry not only a financial dimension but also influence the psychological state of employees, particularly regarding their sense of appreciation, fairness, and comfort at work.

Job satisfaction is a critical variable in explaining employee behavior and performance. A study by Memon et al. (2023) indicated that job satisfaction has a positive relationship with employee performance. In line with this, Chen et al. (2023) also showed that pay-for-performance systems tend to correlate positively with job performance, especially regarding task performance. Consequently, employees who feel they receive appropriate rewards for their contributions are likely to demonstrate higher morale, better work behavior, and a stronger results-oriented mindset.

Nevertheless, empirical research findings regarding employee additional income in Indonesia remain mixed. Akbar et al. (2022) found that the TPP distribution system significantly influences the satisfaction and work motivation of civil servants. Conversely, Indra (2022) showed that TPP does not have a significant effect on either job satisfaction or employee performance within the specific organizational context investigated. These divergent findings indicate that the effectiveness of TPP is highly likely influenced by the organizational context, employee perceptions of fairness, policy implementation mechanisms, and the job characteristics inherent to each agency.

This condition suggests that the relationships among TPP, job satisfaction, and employee performance require deeper empirical clarification, particularly within public service organizations that possess unique operational characteristics. In the context of the Population and Civil Registration Office of Serdang Bedagai Regency, this issue becomes increasingly vital as employees operate in a service environment characterized by high administrative workloads, stringent service targets, and rising public expectations. In such situations, the additional income received by employees is presumed not only to directly impact performance but also to influence job satisfaction first. When employees perceive that their additional income is proportional to their workload, working conditions, and contributions, it fosters a sense of being valued, satisfaction with rewards, comfort, and higher work morale. Ultimately, these conditions can drive improvements in both employee work output and behavior.

Therefore, there remains a research gap that needs to be addressed, particularly regarding the role of job satisfaction in bridging the influence of TPP on employee performance in public service institutions. Thus far, prior studies have predominantly focused on the direct effects of compensation on either job satisfaction or employee performance, while research specifically positioning job satisfaction as an intervening variable within the context of the Population and Civil Registration Office remains relatively limited. Furthermore, the

operational characteristics of this agency, which demand both high-quality work outputs and exemplary service behavior, render the testing of this specific model crucial.

Based on this background, this study is directed at analyzing the effect of TPP on job satisfaction and employee performance at the Population and Civil Registration Office of Serdang Bedagai Regency, as well as testing the role of job satisfaction as an intervening variable in this relationship. This research is expected to offer theoretical contributions to the study of public sector human resource management, specifically concerning compensation, job satisfaction, and employee performance. Practically, the findings are intended to serve as evaluative material for local governments and institutional leaders in assessing the effectiveness of TPP policies as an instrument to enhance employee satisfaction and performance.

2. LITERATURE REVIEW

A. *Employee Additional Income (Tambahan Penghasilan Pegawai—TPP)*

Employee Additional Income (TPP) is a supplemental income beyond the basic salary granted to local government civil servants based on the Decree of the Minister of Home Affairs Number 900.1.3.2-1287 of 2024 concerning Procedures for the Approval of the Minister of Home Affairs on the Provision of Employee Additional Income to Civil Servants in Local Governments, enacted on June 10, 2024 (Kementerian Dalam Negeri, 2024). From a human resource management perspective, compensation serves not only as financial remuneration but also as organizational recognition for employee contributions. A well-managed compensation system can enhance job satisfaction and stimulate positive work behavior (Aman-Ullah et al., 2023; Zayed et al., 2022).

In this study, TPP is measured using three indicators: workload, working conditions, and job performance. These indicators were selected because they reflect the primary basis for granting TPP, while illustrating how employees perceive the alignment between the additional income they receive and their job demands and contributions.

B. *Job Satisfaction*

Job satisfaction is a pleasurable emotional state or a positive appraisal resulting from an employee's job and work experiences. According to Luthans (2005), job satisfaction reflects an employee's evaluation of various job aspects, such as the work itself, rewards, promotions, supervision, co-workers, and working conditions. Asgeirsson et al. (2026) also assert that job satisfaction represents an employee's positive evaluation of their work, encompassing both intrinsic and extrinsic aspects. Job satisfaction is critical as it relates to loyalty, morale, and the quality of employee contributions within the organization. Numerous studies have also shown that job satisfaction has a positive relationship with employee performance (Memon et al., 2023).

In this study, job satisfaction is measured through the indicators of feeling valued, rewards, comfort, and pleasure in working. These indicators were selected because they are considered capable of capturing employees' affective responses toward their work experiences, particularly regarding the recognition and compensation received.

C. *Employee Performance*

Employee performance is the level of success achieved by an employee in executing their duties and responsibilities in accordance with the standards established by the organization. In the context of civil servants, performance evaluation refers to Government Regulation Number 30 of 2019 concerning the Performance Evaluation of Civil Servants, which was subsequently reinforced by the Regulation of the Minister of Administrative and Bureaucratic Reform Number 6 of 2022 concerning the Performance Management of State Civil Apparatus Employees (KemenpanRB, 2022; Pemerintah Republik Indonesia, 2019). Based on these regulations, employee performance consists of two main dimensions: employee performance targets (*Sasaran Kinerja Pegawai—SKP*) and work behavior. Employee performance targets include indicators of quantity, quality, time, and cost, whereas work behavior encompasses service orientation, commitment, work initiative, cooperation, and leadership.

Academically, employee performance is understood not only as the achieved work output but also as the work behaviors that support the realization of organizational goals (Chen et al., 2023). Furthermore, in the public sector, sound human resource management practices contribute to strengthening personnel performance and the effectiveness of service organizations (Demo et al., 2024).

In this study, employee performance is measured through two dimensions: employee performance targets and work behavior. The selection of these two dimensions is based on the characteristics of work in public service institutions, where both the achievement of work outputs and behavioral conduct in delivering services play equally vital roles in determining the quality of employee performance.

D. *The Relationship Between TPP, Job Satisfaction, and Employee Performance*

Theoretically, TPP that is perceived to be aligned with workload, working conditions, and job performance can enhance employee job satisfaction. When employees feel that the compensation received is

fair and proportional to their contributions, it generates a sense of being valued, satisfaction with rewards, comfort, and pleasure in working (Aman-Ullah et al., 2023; Zayed et al., 2022). Furthermore, employees with higher levels of job satisfaction tend to exhibit better work output and behavior (Memon et al., 2023). Accordingly, job satisfaction is hypothesized to play a role as an intervening variable in the relationship between TPP and employee performance.

E. Conceptual Framework

Based on the theoretical review and prior empirical findings, this study positions TPP as the independent variable, job satisfaction as the intervening variable, and employee performance as the dependent variable. The structural relationships among these variables are illustrated in the conceptual framework in Figure 1 below:

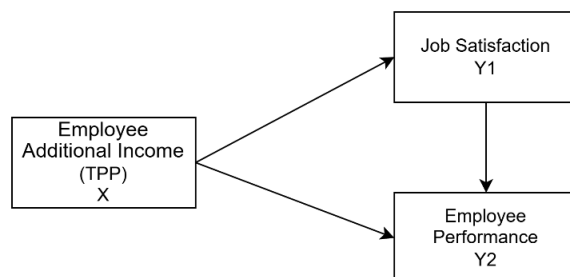


Figure 1. Research Conceptual Framework

3. RESEARCH METHOD

A. Research Design, Location, and Sample

This study employs a quantitative approach with an explanatory research design. The research was conducted at the Population and Civil Registration Office of Serdang Bedagai Regency. The population in this study consists of all employees who receive TPP within the agency, totaling 25 individuals. Due to the relatively small population size, a saturated sampling technique (*census*) was utilized, thereby including the entire population as the research sample.

B. Data, Instruments, and Data Collection Techniques

This study utilizes primary data obtained through the distribution of questionnaires to respondents. The research instrument was developed from 51 statement items, which were subsequently categorized into the indicators of each respective variable. The Employee Additional Income (TPP) variable is measured through workload, working conditions, and job performance indicators. The job satisfaction variable is measured using indicators of feeling valued, rewards, comfort, and pleasure in working. Meanwhile, the employee performance variable is evaluated through two dimensions: Employee Performance Targets and Work Behavior. The Employee Performance Targets dimension comprises quantity, quality, time, and cost indicators, while the Work Behavior dimension consists of work initiative, commitment, leadership, cooperation, and service orientation indicators. All items are measured using a 5-point Likert scale, ranging from 1 = *strongly disagree* to 5 = *strongly agree*.

C. Data Analysis

Data analysis was performed using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) approach with the SmartPLS application. The analysis was executed by evaluating both the outer model and the inner model. The outer model evaluation is used to assess the validity and reliability of the indicators, whereas the inner model evaluation is used to assess the relationships among latent variables through path coefficients, R-square values, and hypothesis testing via the bootstrapping procedure. In SEM-PLS, bootstrapping is employed to test the significance of path coefficients by randomly generating numerous subsamples from the original data with replacement (Ringle et al., 2024).

4. RESULTS AND DISCUSSION

A. Overview of Respondents

The overview of respondents provides a description of the characteristics of the employees who served as the subjects of this study. These characteristics include gender, educational background, position, age, and length of service. This information is essential for understanding the profile of the respondents and providing context for interpreting the research results.

Table 1. Respondent Characteristics

Characteristics	Category	Frequency	Percentage
Gender	Male	17	68%

Characteristics	Category	Frequency	Percentage
Education Background	Female	8	32%
	High School	6	24%
	D-IV/Bachelor's Degree	14	56%
Position	Master's Degree	5	20%
	Staff / Staff Officers	9	36%
	Structural Officers	8	32%
Age	Functional Officers	8	32%
	31–40 years old	3	12%
	41–50 years old	20	80%
Length of Service	> 50 years old	2	8%
	1–10 years	4	16%
	11–20 years	15	60%
	> 20 years	6	24%

Based on Table 1, the respondents in this study are predominantly male, hold a D-IV/S-1 degree, and mostly fall within the 41–50 age range. In terms of work experience, the majority of respondents have a length of service spanning 11–20 years. These findings indicate that the respondents are dominated by employees in their mature working age who possess adequate work experience.

B. Measurement Model Evaluation

The outer loading test results indicated that, in the initial stage, several statement items did not meet the outer loading criteria, necessitating a step-by-step item selection process.

Table 2. Outer Loading

Construct	Number of items	Outer Loading Range
TPP	9	0.751–0.902
Job Satisfaction	16	0.721–0.956
Employee Performance	22	0.772–0.923

Following the selection process, the outer loading results in Table 2 demonstrate that all statement items in the final model have values above 0.70. This indicates that the items used have met the criteria for convergent validity and are capable of representing the research constructs well. For the TPP variable, the outer loading values range from 0.751 to 0.902. For the job satisfaction variable, the outer loading values range from 0.721 to 0.956. Meanwhile, for the employee performance variable, the outer loading values range from 0.772 to 0.923. Consequently, all statement items utilized in the final model are declared valid and suitable for further construct reliability testing and structural model analysis.

C. Construct Reliability and Convergent Validity

Construct reliability and convergent validity testing were conducted by examining Cronbach's alpha, composite reliability, and average variance extracted (AVE) values. A construct is considered reliable if its Cronbach's alpha and composite reliability values are above 0.70, while convergent validity is satisfied if the AVE value is greater than 0.50.

Table 3. Construct Reliability and Validity Results

Construct	Cronbach's Alpha	Composite Reliability	AVE
TPP	0.944	0.950	0.689
Job Satisfaction	0.979	0.981	0.765
Employee Performance	0.981	0.982	0.711

The test results show that all constructs have met these criteria. The TPP variable has a Cronbach's alpha value of 0.944, a composite reliability of 0.950, and an AVE of 0.689. The job satisfaction variable has a Cronbach's alpha value of 0.979, a composite reliability of 0.981, and an AVE of 0.765. Meanwhile, the employee performance variable shows a Cronbach's alpha value of 0.981, a composite reliability of 0.982, and an AVE of 0.711. Based on these results, all constructs in this study are declared reliable and convergently valid. Thus, the instruments used possess good internal consistency and are capable of explaining the measured latent constructs.

D. Structural Model Evaluation (Inner Model)

The evaluation of the structural model was performed by assessing the coefficient of determination or R-square values as shown in Figure 2. This value indicates the extent to which the independent variables can explain the dependent variables within the research model. Based on the test results, the R-square value for job satisfaction is 0.747. This means that 74.7 percent of the variance in job satisfaction can be explained by TPP, while the remaining 25.3 percent is explained by other factors outside the model.

Subsequently, the R-square value for employee performance is 0.693. This value indicates that 69.3 percent of the variance in employee performance can be explained by TPP and job satisfaction, whereas the other 30.7 percent is influenced by other variables outside this study. These results demonstrate that the structural model used has a strong explanatory power in describing the relationships among the research variables.

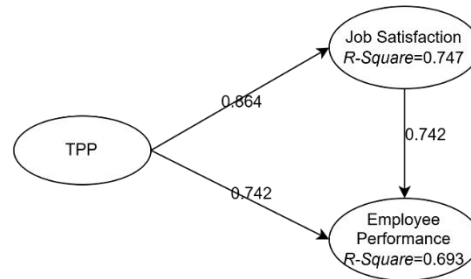


Figure 2. SmartPLS Test Result Model
Gambar 1. Model Hasil Pengujian SmartPLS

E. Hypothesis Testing

Hypothesis testing was conducted through the bootstrapping procedure by analyzing the path coefficients and their significance. Relationships between variables are declared significant if the p-value is less than 0.05.

Table 4. Direct Effect Test Results

Relationship Between Variables	Path Coefficient	t-statistics	p-value
TPP → Job Satisfaction	0.864	14.373	0.000
Job Satisfaction → Employee Performance	0.747	2.273	0.023
TPP → Employee Performance	0.097	0.284	0.776

The test results in Table 4 show that TPP has a positive and significant effect on job satisfaction. This is evidenced by a path coefficient value of 0.864 and a p-value of 0.000. Furthermore, job satisfaction also exerts a positive and significant effect on employee performance, with a path coefficient value of 0.747 and a p-value of 0.023. Conversely, the direct effect of TPP on employee performance is not significant, as its path coefficient value is only 0.097, with a p-value of 0.776. Therefore, within this research model, TPP is not proven to directly affect employee performance.

Table 5. Indirect Effect Test Results

Indirect Relationship	Coefficient	t-statistics	p-value
TPP → Job Satisfaction → Employee Performance	0.646	2.148	0.032

To test the mediating role of job satisfaction, the analysis proceeded to examine the indirect effect of TPP on employee performance through job satisfaction. The specific indirect effects test results in Table 5 indicate that this indirect effect has a coefficient of 0.646, with a p-value of 0.032. This result demonstrates that the indirect effect is significant.

Since the indirect effect was proven significant while the direct effect of TPP on employee performance was not significant, job satisfaction is declared to act as a full mediation variable in the relationship between TPP and employee performance. This implies that the influence of TPP on employee performance does not occur directly, but rather through an initial increase in job satisfaction.

F. Discussion

1) The Effect of TPP on Job Satisfaction

Temuan penelitian ini menunjukkan bahwa TPP lebih tepat dipahami sebagai bentuk penghargaan dari organisasi, bukan semata-mata sebagai tambahan pendapatan. Dalam konteks Dinas Kependudukan dan Pencatatan Sipil Kabupaten Serdang Bedagai, pegawai tampaknya tidak hanya menilai TPP dari besar kecilnya nominal yang diterima, tetapi juga dari sejauh mana TPP tersebut sesuai dengan beban kerja, kondisi kerja, dan kontribusi yang mereka berikan. Hal inilah yang tampaknya membuat pengaruh TPP terhadap kepuasan kerja terlihat kuat dalam model penelitian ini.

The findings of this study demonstrate that TPP is more accurately understood as a form of organizational recognition rather than merely supplemental income. Within the context of the Population and Civil Registration Office of Serdang Bedagai Regency, employees do not seem to evaluate TPP solely based on the nominal amount received. Instead, they assess the extent to which the TPP aligns with their workload, working conditions, and individual contributions. This specific perception explains why the influence of TPP on job satisfaction appears remarkably strong within this research model.

These findings corroborate the view that compensation systems perceived as fair tend to foster positive employee appraisals of their work, particularly when the compensation is interpreted as acknowledgment of their work efforts and responsibilities. Recent empirical evidence also indicates that compensation has a positive relationship with job satisfaction and employee behavior, especially when the reward system is viewed as equitable and meaningful by personnel (Zayed et al., 2022). In this study, TPP was proven capable of shaping job satisfaction because the items representing the alignment of additional income

with workload, working conditions, and job performance successfully satisfied the validity criteria in the final model.

This condition signals that within the Dukcapil work environment, employee satisfaction relies heavily on the perception that the additional income received is synchronized with the daily realities of their jobs, which demand meticulousness, speed, and responsiveness under service pressure. In other words, job satisfaction does not emerge purely from financial compensation, but rather from the perception that the organization understands the level of job demands they confront. This explanation aligns with various studies emphasizing the importance of perceived fairness, recognition, and reward alignment in cultivating job satisfaction (Gupta et al., 2024).

Furthermore, these results enrich the findings of prior empirical research in Indonesia. While Akbar et al. (2022) identified that TPP is associated with the satisfaction and work motivation of civil servants, this study demonstrates more specifically that within public service institutions, this influence intensifies when TPP is perceived to match the work dimensions actually experienced by employees. Consequently, the primary contribution of this research lies not merely in reinforcing that TPP relates to job satisfaction, but also in explaining why this relationship surfaces—namely, because TPP is internalized by employees as a manifestation of distributive justice and organizational recognition of their job demands (Ardianto et al., 2024)

2) The Effect of Job Satisfaction on Employee Performance

The research results indicate that job satisfaction holds a paramount position in explaining employee performance. In this study, job satisfaction is conceptualized not merely as a pleasurable emotional state, but also as a psychological catalyst that drives employees to perform their duties with greater responsibility, discipline, and consistency in service delivery. This relationship appears robust within the research model. Substantively, it can be explained that employees who feel valued, satisfied with rewards, comfortable, and happy at work tend to maintain positive work behaviors and yield higher-quality work outputs. This is congruent with literature demonstrating that job satisfaction correlates with better job performance, job behavior, and overall work contributions (Gazi et al., 2024).

For public service organizations such as Dukcapil, these results are critical because employee performance is evaluated not only on administrative outputs but also on the manner in which services are delivered to the public. Public administration literature even suggests a "satisfaction mirror," where the job satisfaction of street-level bureaucrats correlates with the satisfaction of citizens as service recipients. This implies that when employees experience higher satisfaction with their work, the impact transcends internal organizational boundaries and reflects on the quality of public service interactions. Within the context of the Dukcapil Office of Serdang Bedagai Regency, this situation underscores that job satisfaction potentially reinforces both work targets and work behaviors, which serve as the two primary dimensions used in this study to operationalize employee performance. These findings also align with research linking the job satisfaction of public servants to service performance and the quality of state-citizen relations (Petrovsky et al., 2023).

From a practical standpoint, these results indicate that enhancing employee performance cannot be achieved solely through the imposition of work targets or administrative supervision. Organizations must also cultivate positive work experiences, as job satisfaction is proven to function as an internal mechanism that translates organizational policies into tangible work behaviors. Consequently, within this study, job satisfaction can be positioned as a bridge connecting compensation policies and public service performance.

3) The Effect of TPP on Employee Performance through Job Satisfaction

The findings of this study reveal that TPP does not exert a significant direct effect on employee performance. This indicates that the additional income received by employees does not automatically translate into performance improvements. Within the framework of this research, TPP appears to become effective only when it initially triggers a positive psychological response among employees, specifically in the form of job satisfaction. Therefore, the influence of TPP on employee performance is more accurately conceptualized as an indirect relationship.

This finding is further solidified by the results showing that the indirect effect of TPP on employee performance through job satisfaction is statistically significant. This condition signifies that job satisfaction serves as a full mediation variable in the relationship between TPP and employee performance. This implies that TPP does not directly drive enhancements in work targets or work behaviors, but rather fosters a sense of appreciation, satisfaction with rewards, comfort, and pleasure in working first, which subsequently culminates in improved employee performance.

Substantively, this finding illustrates that financial compensation does not always immediately convert into job performance; its effectiveness heavily depends on how employees interpret the reward. When TPP is perceived as fair and equitable relative to the workload, working conditions, and contributions provided, employees are more likely to develop a positive attitude toward their jobs. It is this positive attitude that ultimately drives the emergence of superior work behaviors and optimal work outputs. In other words, job

satisfaction becomes the core mechanism bridging organizational compensation policies and employee performance.

This theme is consistent with Aman-Ullah et al. (2023), who asserted that compensation can shape employee behavior through job satisfaction, and supports the perspective of Zayed et al. (2022) that sound reward systems are more effective when they successfully construct positive psychological responses among personnel. Furthermore, the results of this study are consistent with Tafese Keltu (2024), who demonstrated that the relationship between organizational practices and employee performance frequently operates through mediating variables, particularly job satisfaction. Thus, this study reinforces the paradigm that within public service organizations, employee performance is determined not merely by the incentives received, but also by the work experiences shaped by those policies.

When tied to the specific context of the Population and Civil Registration Office of Serdang Bedagai Regency, these findings are highly relevant. Employees in this agency operate under intense service pressures, stringent requirements for accuracy, and the constant need to maintain high-quality interactions with the public. Under such circumstances, additional income fails to abruptly boost performance if employees have not yet perceived the positive meaning behind the policy. Consequently, TPP will yield greater efficacy if it is internalized as a fair token of appreciation that is congruent with the daily operational realities faced by employees.

Practically, these results imply that local governments and institutional leaders cannot simply ensure that TPP is disbursed to employees. More importantly, they must maintain a TPP distribution system that is perceived as transparent, fair, and consistent with the workload and contributions of the personnel. Once these conditions are met, job satisfaction will flourish, thereby unlocking the potential for enhanced employee performance. Therefore, efforts to optimize the effectiveness of TPP should not merely focus on expanding its nominal value, but also on how the policy is conceptualized and felt by the workforce.

5. CONCLUSION

This study demonstrates that Employee Additional Income (TPP) exerts a positive and significant effect on employee job satisfaction at the Population and Civil Registration Office of Serdang Bedagai Regency. Furthermore, job satisfaction is also proven to have a positive and significant effect on employee performance. However, TPP does not possess a significant direct effect on employee performance. The findings of this research also confirm that job satisfaction functions as a full mediation variable in the relationship between TPP and employee performance. Consequently, improvements in employee performance are more effectively achieved through TPP policies that are structurally capable of enhancing job satisfaction first.

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