

# The Effect of Internal Control and Compensation on Honorary Employee Performance (Case Study of BAPENDA Southeast Sulawesi Province)

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**Abstract.** This study aims to test and explain the Effect of Internal Control and Compensation for the Performance of Temporary employees. The independent variable in this study is Internal Control and Compensation, while the dependent variable in this study is the Performance of Temporary employees. Data collection method used a questionnaire. The data analysis used the descriptive analysis method and multiple linear regression analysis. This research also uses factor analysis to show the most influential indicators in one variable. The result of this study indicate that (1) the internal control variabel has  $t\text{-count} > t\text{-tabel}$  and significance value  $<$  significance level (2) compensation variable has  $t\text{-count} > t\text{-table}$  and significant value  $<$  signivigance level (3) internal control variable and compensation for the performance of Temporary employees has a value of  $t\text{-count} > f\text{-table}$  and a significant value of significance level

**Keywords:** Compensation, Internal Control, Temporary Employees Performance

## 1 Introduction

Public service is inseparable from the competence possessed by employees or officials in a government agency. The competence of these employees or officials will drive the achievement of results or alignment with the established work programs, thereby enhancing the overall performance of the organization. Skilled and competent employees will understand their tasks well and engage in both horizontal and vertical coordination when encountering issues in their work, ensuring that their responsibilities are completed promptly.

In essence, the success of a government institution's goals not only depends on complete infrastructure and resources, such as the use of information technology equipment, but is more influenced by the competence and commitment of its people as the primary drivers of the organization. It also depends on the control of the established work programs. This means that humans play a crucial role in the overall success of a government agency's performance.

According to Dale Timple's theory Ramadhan[1] there are two internal and external factors that can influence employee performance. Internal factors are related to personal traits, such as attitudes, personality traits, self-motivation, performance experience, thinking, cultural background, and other personal variables. External factors are influenced by the employee's performance from the surrounding environment, such as company rules and policies, leadership from superiors, company supervision, wage systems, and others. According to this theory, the environment, policies, and supervision are forms of internal control that affect employee performance.

Furthermore, the theory described by COSO[2] defines internal control is a process, effected by an entity's board of directors, management, and other personel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

Internal controls aim to direct and ensure that the implemented strategies align with the intended goals, and therefore, employees are expected to perform their tasks in accordance with established rules. Additionally, compensation is provided to motivate employees to perform their tasks and responsibilities to the best of their abilities. One form of compensation for employees is performance allowances and salaries, as mentioned by Purwanto[3].

There are many factors influencing employee performance, including internal control and compensation. According to Suyadi[4], performance means the work output achieved by an individual or a group of people within an organization, in line with their respective authorities and responsibilities, with the aim of achieving the organization's objectives legally, without violating the law, and in accordance with morals and ethics. In conclusion, internal control is a crucial activity as it guides government programs to align with planned work programs, ultimately enabling the general goal of providing effective and efficient services to the public.

Honorary workers recruited by various institutions, including graduates and equivalent degree holders, contribute actively to public service activities. However, the compensation received by honorary employees is undoubtedly not comparable to that of civil servants (Pegawai Negeri Sipil, PNS) who receive clear monthly salaries without the concern of insufficient or delayed payments. According to Government Regulation Number 48 of 2005, honorary workers are individuals appointed by Personnel Administration Officials or other government officials to perform specific tasks in government agencies, and their income is a burden on the State Revenue and Expenditure Budget.

The Regional Revenue Office (Bapenda) of Southeast Sulawesi Province is an organization or institution under the local government responsible for revenue collection through coordination and collection of taxes, levies, revenue sharing, and other sources. This institution is oriented toward providing the best services and professional performance. Therefore, internal control within the company is needed to maximize the potential of each employee.

Efforts made by relevant departments include recognizing honorary workers who perform well, judging by their attendance and active participation in the institution. Recognition is often in the form of monetary bonuses, typically given outside of regular wages. Southeast Sulawesi Provincial Bapenda hopes for optimal employee performance to enhance productivity and sustain the institution's operations. Through internal control, the responsible management can oversee each employee's functions and tasks, ensuring they stay focused on their work to achieve desired performance. Additionally, the provided compensation is expected to meet the needs and offer a suitable return for the contributions of honorary workers to the institution. With proper compensation, it is anticipated that the performance of honorary employees will improve, benefiting both the workers themselves and the relevant institution. The aim of this study is to determine and analyze whether internal control and compensation, both individually and collectively, have a significant impact on the performance of honorary employees.

## 2 Literature Review and Hypothesis

### 2.1 Internal Control

Internal control is a useful method for management to safeguard the organization's assets, enhance performance effectiveness and efficiency, and prevent system abuse while ensuring the proper direction of operations [5].

The American Institute of Certified Public Accountants (AICPA) defines internal control systems as the organizational structure, all coordinated methods, and regulations adopted within a company to protect assets, verify the accuracy and reliability of accounting data, improve business efficiency, and promote adherence to established company policies.

Internal control is an effectiveness mechanism aimed at minimizing agency conflicts. Effective supervision of internal control mechanisms is considered capable of reducing agency problems. Therefore, efforts to address managerial opportunistic behavior and the tendency to conceal information for personal gain, which ultimately impacts the organization's/agency's profits, instill adequate confidence in achieving the following three categories of goals: (a) financial reporting reliability, (b) operational effectiveness and efficiency, and (c) compliance with applicable laws and regulations.

Based on the definitions provided above, it can be understood that internal control is a system composed of various elements and is not limited to control methods adopted by the accounting and finance departments alone. It encompasses budget controls, standard costs, employee training programs, and internal audit staff controls.

### 2.2 Compensation

Several experts provide definitions of compensation as follows:

According to Emerole[6] "Compensation is an area of human resource management that involves making decisions about fair, equal, and competitive payments at current market prices; providing employees with incentives to improve performance; ensuring that compensation benefits serve to motivate employees, and ensuring that all compensation-related policies and programs comply with government requirements." In general, employees also seek to earn income to meet their needs. Therefore, an employee begins to value hard work and increasingly shows loyalty to the company, prompting the company to reward the employee's performance with compensation. In contrast, Umar[7] provides a more specific definition, stating that "Compensation, according to Umar, is everything received by employees, which can be in the form of salaries, wages, incentives, insurance, and other payments made directly by the company."

Meanwhile, according to Singodimedjo, as cited in Edy Sutrisno[8] he emphasis is on the contribution provided by employees to the company, as follows: "Compensation is all remuneration received by an employee from their company as a result of the service or labor they have provided to the company. Compensation is

calculated based on job evaluation, and the calculation of compensation based on job evaluation is intended to provide compensation that approximates worth and equity.

### 2.3 Types of Compensation

According to Panggabean, as mentioned in Edy Sutrisno[8] compensation can be categorized into two types:

- a. Direct Compensation: This type of compensation is directly experienced by the recipient and includes items such as salaries, allowances, and incentives. It is the employee's right, and it is the company's obligation to pay them.
- b. Indirect Compensation: This type of compensation is not directly felt by employees and includes benefits and services (service allowances). Benefits and services are additional compensation, whether financial or non-financial, provided at the discretion of the company to all employees in an effort to improve their well-being. Examples include holiday bonuses, retirement benefits, uniforms, sports, and leisure activities, as well as family gatherings.

Compensation given to employees has a significant impact on job satisfaction, work motivation, and job performance [9]. When compensation is aligned with the type of work and employee position, employees experience job satisfaction. It is crucial for companies to understand the factors that contribute to employee job satisfaction and to provide appropriate compensation, thereby achieving improved job satisfaction and performance [10].

### 2.4 Objectives of Compensation

The objectives of providing compensation to employees include ensuring the livelihood of employees and their families, enhancing job performance, boosting the self-esteem of employees, strengthening working relationships among employees, preventing employee turnover, improving work discipline, utilizing the potential of employees, enabling the company to compete in the labor market, facilitating the achievement of corporate goals, complying with applicable laws and regulations, and enabling the company to adopt new technologies.

### 2.5 Performance Appraisal

Samuel[11] categorized the measurement of job performance into job results, job behavior, and personal traits. Efficiency refers to the employees' output rate and their ability to complete tasks before the deadline. Efficacy pertains to the employees' goal achievement rate and proposals. Quality relates to the employees' error rate, complaint rate, supervisor satisfaction, customer satisfaction, and colleague satisfaction.

The definition of performance as the expected behavioral value over a standard period of time aligns fully with assumptions made by others, arguing that an individual's performance can vary over time due to changes in motivational factors and situational constraints [12].

Performance appraisal plays a crucial role in workplace motivation. Employees desire and need feedback regarding their performance and assessments. If performance falls short of standards, the appraisal provides an opportunity to review the employee's progress and formulate performance improvement plans. In performance appraisal, employees evaluate not only physical outcomes but also overall job execution, which encompasses work relationships and specific aspects relevant to their field and job level [9].

The description of performance involves three essential components:

- a. Objectives  
Objectives provide direction and influence the expected work behavior that organizations have for each individual.
- b. Measures  
Measures are necessary to determine whether an individual has achieved the expected performance. Hence, quantitative and qualitative performance standards for each task and position play a crucial role.
- c. Evaluation  
Regular performance evaluations are linked to the process of achieving performance objectives for each individual. This action encourages individuals to remain focused on goals and to exhibit work behavior in line with the intended objectives.

### 2.6 Temporary Employee

Based on Law No. 43 of 1999 concerning Amendments to Law No. 8 of 1974 regarding the existence of regional honorary employees, it is explained that honorary personnel with longer service periods are given

first priority to be appointed as Civil Servant Candidates. In cases where multiple honorary employees have the same length of service, but the number of honorary employees exceeds the available positions, the regional government adopts a policy to prioritize the appointment of honorary personnel with relevant work experience and skills that align with the organization's needs.

Honorary personnel appointed in government agencies are not funded by the State Budget (APBN) or the Regional Budget (APBD). The financing of new honorary personnel can only be charged to the APBN or APBD after they have been appointed and approved as Civil Servant Candidates by the Central Government based on a determination letter from the National Civil Service Agency (BAKN) as honorary personnel and are employed in specific government agencies. All honorary personnel funded by the State Budget and Regional Budget nationwide have been appointed as Civil Servant Candidates before the next Budget Year takes effect.

In accordance with Government Regulation No. 48 of 2005, honorary personnel are individuals appointed by Personnel Administration Officials or other government officials to perform specific tasks in government agencies, and their income becomes a burden on the State Revenue and Expenditure Budget.

## **2.7 Hypotheses**

Based on the explanations above, the hypotheses proposed are as follows:

- H1: Partial internal control has a significant influence on the performance of honorary employees.
- H2: Partial compensation has a significant influence on the performance of honorary employees.
- H3: Simultaneous internal control and compensation have a significant influence on the performance of honorary employees.

## **3 Research Methods**

### **3.1 Population, Sample, Data Type, and Data Source**

This research was conducted at the Southeast Sulawesi Provincial Revenue Office, located at Bumi Praja Andonuhu Complex, Kendari City, Southeast Sulawesi Province.

The population in this study consisted of all employees of the Southeast Sulawesi Provincial Revenue Office, and the sample in this research comprised 100 honorary employees of the Southeast Sulawesi Provincial Revenue Office. The sampling technique used was saturated sampling. The type of data used in this study was quantitative data obtained from the responses of the Southeast Sulawesi Provincial Revenue Office respondents through a questionnaire, which was measured using scores on a Likert scale. Primary data sources in this study consisted of responses from the distributed questionnaire. Secondary data in this study included journal articles used as references, obtained from previously published journals.

### **3.2 Research Method and Data Analysis Method**

The research methods used for data collection in this study were questionnaires, interviews, and literature reviews. The analysis methods used included factor analysis, descriptive analysis, and multiple linear regression analysis. Classic assumption tests conducted in this research included tests for normality, heteroscedasticity, and multicollinearity.

## **4 Results and Discussion**

This research data was obtained from the results of answers to a questionnaire that had been distributed to the Provincial Bapenda and which had been filled in by 74 respondents with predetermined respondent criteria.

### **4.1 Descriptive Analysis**

#### **4.1.1 Internal Control (X1)**

The Internal Control Variable (X1) is measured using 15 statement items from 5 indicators of internal control, namely environmental control (X1.1), risk assessment (X1.2), control activities (X1.3), information and communication (X1.4), and monitoring (X1.5). The summary of respondent responses to the statements is presented as follows:

**Table 1.** Recapitulation of Respondents' Answers to Internal Control Variables (X1)

Items	Respondent Answer Frequency (F) & Percentage (%)										Average	Category
	STS (1)		TS (2)		KS (3)		S (4)		SS (5)			
	F	%	F	%	F	%	F	%	F	%		
X1.1.1	0	0,00	0	0,00	5	6,76	41	55,41	28	37,84	4,31	Excellent
X1.1.2	0	0,00	0	0,00	0	0,00	45	60,81	29	39,19	4,39	Excellent
X1.1.3	0	0,00	0	0,00	0	0,00	41	55,41	33	44,59	4,45	Excellent
Average Control Environment Indicators (X1.1)											4,38	Good
X1.2.1	0	0,00	0	0,00	0	0,00	49	66,22	25	33,78	4,34	Excellent
X1.2.2	0	0,00	26	35,14	0	0,00	24	32,43	24	32,43	3,62	Good
X1.2.3	0	0,00	0	0,00	8	10,81	37	50,00	29	39,19	4,28	Excellent
Average Risk Assessment Indicator (X1.2)											4,08	Good
X1.3.1	0	0,00	0	0,00	0	0,00	38	51,35	36	48,65	4,49	Excellent
X1.3.2	0	0,00	0	0,00	24	32,43	34	45,95	16	21,62	3,89	Good
X1.3.3	0	0,00	0	0,00	22	29,73	40	54,05	12	16,22	3,86	Good
Average Control Activity Indicator (X1.3)											4,08	Good
X1.4.1	0	0,00	16	21,62	8	10,81	35	47,30	15	20,27	3,66	Good
X1.4.2	0	0,00	0	0,00	7	9,46	45	60,81	22	29,73	4,20	Good
X1.4.3	0	0,00	0	0,00	8	10,81	40	54,05	26	35,14	4,24	Excellent
Average Information and Communication Indicators (X1.4)											4,03	Good
X1.5.1	0	0,00	0	0,00	0	0,00	50	67,57	24	32,43	4,32	Excellent
X1.5.2	0	0,00	0	0,00	27	36,49	32	43,24	15	20,27	3,84	Good
X1.5.3	0	0,00	0	0,00	7	9,46	33	44,59	34	45,95	4,36	Excellent
Monitoring Indicator Average (X1.5)											4,18	Good
Average of Internal Control variables (X1)											4,15	Good

Source: Primary Data Processed in 2021

Based on the distribution of respondent answers to the Internal Control variable (X1) in Table 1, it shows that respondent statements regarding the Internal Control variable (X1) have an average perception score of 4.15, falling into the "good" category.

#### 4.1.2 Compensation (X2)

The Compensation variable (X2) is measured using 8 statement items from 3 indicators, namely salary (X2.1), allowances (X2.2), and incentives (X2.3). The summary of respondent answers to the statements can be described as follows:

**Table 2.** Recapitulation of Respondents' Answers to Compensation Variables (X2)

Items	Respondent Answer Frequency (F) & Percentage (%)										Average	Category
	STS (1)		TS (2)		KS (3)		S (4)		SS (5)			
	F	%	F	%	F	%	F	%	F	%		
X2.1.1	0	0,00	0	0,00	21	28,38	25	33,78	28	37,84	4,09	Good
X2.1.2	0	0,00	0	0,00	16	21,62	34	45,95	24	32,43	4,11	Good
Salary Indicator Average (X2.1)											4,14	Good
X2.2.1	0	0,00	0	0,00	21	28,38	23	31,08	30	40,54	4,12	Good
X2.2.2	0	0,00	0	0,00	0	0,00	53	71,62	21	28,38	4,28	Excellent
X2.2.3	0	0,00	0	0,00	0	0,00	53	71,62	21	28,38	4,28	Excellent
Allowances Indicator Average (X2. 2)											4,23	Excellent
X2.3.1	0	0,00	0	0,00	0	0,00	49	66,22	25	33,78	4,34	Excellent
X2.3.2	0	0,00	0	0,00	0	0,00	33	44,59	41	55,41	4,55	Excellent
X2.3.3	0	0,00	0	0,00	0	0,00	44	59,46	30	40,54	4,41	Excellent
Incentives Indicator Average (X2. 3)											4,43	Excellent
Compensation Variabel Average (X2)											4,27	Excellent

Source: Primary Data Processed in 2021

Table 2 shows that respondent statements regarding the Compensation variable (X2) have an average perception score of 4.27, which falls into the "excellent" category.

### 4.1.3 Employee Performance (Y)

The Employee Performance variable (Y) is measured using 7 statement items from 3 indicators, namely work quality (Y1.1), work quantity (Y1.2), and timeliness (Y1.3). The summary of respondent answers to the statements is outlined as follows:

**Table 3.** Recapitulation of Respondents' Answers to Honorary Employee Performance Variables (Y)

Items	Respondent Answer Frequency (F) & Percentage (%)										Average	Category
	STS (1)		TS (4)		KS (3)		S (4)		SS (5)			
	F	%	F	%	F	%	F	%	F	%		
Y1.1.1	0	0,00	14	18,92	22	29,73	29	39,19	9	12,16	3,45	Good
Y1.1.2	0	0,00	0	0,00	8	10,81	33	44,59	3	4,45	4,34	Excellent
Y1.1.3	0	0,00	0	0,00	10	13,51	52	70,27	12	16,22	4,03	Good
Work Quality Indicator Average (Y1.1)											3,94	Baik
Y1.2.1	0	0,00	0	0,00	0	0,00	41	55,41	33	44,59	4,45	Excellent
Y1.2.2	0	0,00	11	14,86	20	27,03	43	58,11	0	0,00	3,43	Good
Work Quantity Indicator Average (Y1.2)											3,94	Good
Y1.3.1	0	0,00	0	0,00	11	14,86	43	58,11	20	27,03	4,12	Good
Y1.3.2	0	0,00	0	0,00	4	5,41	47	63,51	23	31,08	4,26	Excellent
Timeliness Indicator Average (Y1.3)											4,19	Good
Employee Performance Variabel Average (Y)											4,02	Good

Source: Primary Data Processed in 2021

Table 3 shows the respondents' statements regarding the employee performance variable (Y) with an average perception value of 4.02, which is included in the "good" category.

## 4.2 Factor Analysis

### 4.2.1 Internal Control (X1)

**Table 4.** Factor Analysis Test Results for Internal Control Variables

No.	Indicator	LoadingFactor	KMO	Sig.
1.	Control environment	0,747		
2.	Risk Assessment	0,770		
3.	Control activities	0,835	0,862	0,000
4.	Information and communication	0,810		
5.	Monitoring	0,813		

Source: Primary Data processed in 2021

Based on the above Table 4, it is known that the most dominant factor shaping the internal control variable is the sales indicator (X1.3) with a loading factor of 0.835. This explains that internal control is based on control activities.

### 4.2.2 Compensation (X2)

**Table 5.** Compensation Variable Factor Analysis Test Results

No.	Indicator	LoadingFactor	KMO	Sig.
1.	Sallary	0,620		
2.	Allowance	0,807	0,559	0,000
3.	Intensive	0,880		

Source: Primary Data processed in 2021

Based on the above Table 5, it is known that the most dominant factor shaping the compensation variable is Incentives (X2.3) with a loading factor of 0.880. This explains that compensation is based on incentives.

### 4.2.3 Employee Performance (Y)

**Table 6.** Factor Analysis Test Results for Honorary Employee Performance Variables

No.	Indicator	Loading Factor	KMO	Sig.
1.	Work quality	0,431		
2.	Work Quantity	0,701	0,596	0,000
3.	Timeliness	0,597		

Source: Primary Data processed in 2021

Based on the above Table 6, it is known that the most dominant factor shaping the honorary employee performance variable is Work Quantity (Y1.2) with a loading factor of 0.701. This explains that employee performance is based on Work Quantity.

The results of the coefficient and Cronbach's alpha to test the validity and reliability of using statement items from variable indicators are as follows:

**Table 7.** Recapitulation of Validity and Reliability Test Results

Variabel	Indicator Variabel	Item	Pearson Correlation	Sig.	Ket.	Cronbach Alpha	Ket.
Internal Control (X1)	Control Environment (X1.1)	X1.1.1	0,001	0,00		0,720	Reliabel
		X1.1.2	0,093	0,00	Valid		
		X1.1.3	0,536	0,00			
	Risk Assessment (X1.2)	X1.2.1	0,001	0,00		0,798	Reliabel
		X1.2.2	0,555	0,00	Valid		
		X1.2.3	0,481	0,00			
	Control Activities (X1.3)	X1.3.1	0,001	0,00		0,798	Reliabel
		X1.3.2	0,331	0,00	Valid		
		X1.3.3	0,157	0,00			
	Information and Communication (X1.4)	X1.4.1	0,001	0,00		0,677	reliabel
		X1.4.2	0,001	0,00	Valid		
		X1.4.3	0,209	0,00			
	Monitoring (X1.5)	X1.5.1	0,001	0,00		0,776	Reliabel
		X1.5.2	0,545	0,00	Valid		
		X1.5.3	0,144	0,00			
Compensation (X2)	Salary (X2.1)	X2.1.1	0,001	0,00	Valid	0,906	reliabel
		X2.1.2	0,603	0,00			
	Allowance (X2.2)	X2.2.1	0,001	0,00	Valid	0,795	Reliabel
		X2.2.2	0,381	0,00			
	Incentive (X2.3)	X2.2.3	0,381	0,00	Valid	0,836	Reliabel
		X2.3.1	0,001	0,00			
Employee Performance (Y)	Quality of Work (Y1.1)	X2.3.2	0,296	0,00	Valid	0,808	Reliabel
		X2.3.3	0,341	0,00			
		Y1.1.1	0,001	0,00			
	Working Quantity (Y1.2)	Y1.1.2	0,456	0,00	Valid	0,869	Reliabel
		Y1.1.3	0,349	0,00			
		Y1.2.1	0,001	0,00			
	Timeliness (Y.3)	Y1.2.2	0,470	0,00	Valid	0,885	Reliabel
		Y1.3.1	0,001	0,00			
		Y1.3.2	0,493	0,00			

Source: Primary Data Processed in 2021

Based on Table 7 above, it is stated that the statements in the questionnaire are valid and reliable. This decision is made because the Pearson correlation values are  $> 0.30$  with a significance level  $< 0.05$ , and the correlation coefficient values from the Cronbach's alpha test results are  $> 0.60$ . Therefore, it can be concluded that all statement items used as instruments in this study are valid and reliable, or it can be said that the questionnaire used is suitable as an instrument for measuring each variable.

### 4.3 Classic Assumption Test

#### 4.3.1 Normality Test

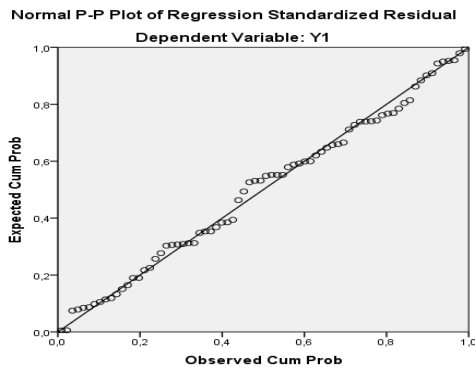


Figure 1. Normal Probability Plot

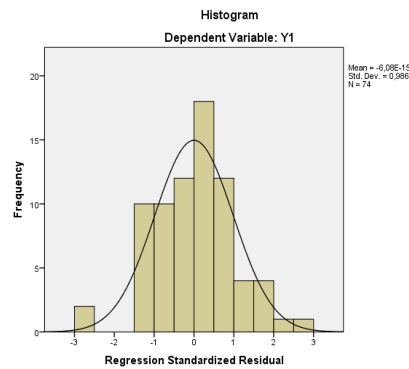


Figure 2. Histogram

In Figure 1, the normal probability plot above shows that the data points follow the direction of the diagonal line. Therefore, the regression model is suitable for assessing the performance level of employees in the Provincial Revenue Office of Southeast Sulawesi based on its independent variables.

Figure 2, the histogram above illustrates that the residuals are normally distributed, as indicated by a symmetric pattern without skewing to the right or left. Thus, the regression model has met the normality assumption.

#### 4.3.2 Multicollinearity Test

Tabel 8. Multicollinearity Test

Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Partial	Tolerance	VIF
(Constant)	,520	,355		1,467	,147					
1 X1TR	,464	,112	,452	4,120	,000	,716	,439	,317	,491	2,037
X2TR	,369	,109	,371	3,379	,001	,693	,372	,260	,491	2,037

a. Dependent Variable: Y1TR

Based on Table 8 above, it is shown that the tolerance values for each variable in this study are above 0.10, and the VIF values are below 10. This indicates that there is no correlation between the independent variables, and it can be concluded that multicollinearity is not present.

#### 4.3.3 Heterokedastisitas Test

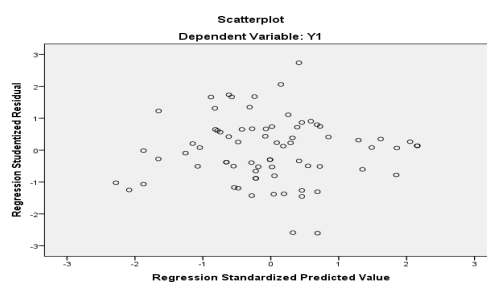


Figure 3. Heterokedastisitas Test



Based on the scatter plot in Figure 3 above, it is visually evident that the residual values and their predictions do not form a specific pattern (random). Therefore, it can be said that the regression model in this study is free from heteroscedasticity issues.

#### 4.3.4 Hypothesis Test

**Tabel 9.** Hypothesis Test

Coefficients <sup>a</sup>		Unstandardized		Standardized	t	Sig.
Model		Coefficients		Coefficients		
		B	Std. Error	Beta		
	(Constant)	,520	,355		1,467	,147
1	X1	,464	,112	,452	4,120	,000
	X2	,369	,109	,371	3,379	,001

a. Dependent Variable: Y1

a. Dependent Variable: KPH

**Table 10.** Summary of t test, f test and Coefficient of Determination

Variabel	T-hitung	t-tabel	Sig.	F-hitung	F-tabel	Sig.	R. Square
X1	4,120	1,993	0,001	49,168	3,12	0,000	0,581
X2	3,379		0,000				

Based on Table 10, it is shown that the t-value for the internal control variable is 4.120, which is greater than the t-table value of 1.993, or with a significance level of 0.000, which is less than  $\alpha = 0.05$ . Therefore, from the test results, it can be concluded that H1 is accepted, and H0 is rejected. This indicates that the internal control variable partially and significantly affects the performance of honorary employees.

Based on Table 10, it is shown that the t-value for the compensation variable is 3.379, which is greater than the t-table value of 1.993, or with a significance level of 0.052, which is less than  $\alpha = 0.05$ . Therefore, from the test results, it can be concluded that H2 is accepted, and H0 is rejected.

#### 4.3.5 Coefficient of Determination

The coefficient of determination is intended to determine the extent of the contribution of internal control and compensation to the performance of honorary employees by looking at the value of the determination coefficient (R<sup>2</sup>). In Table 4.9, it is known that the value of R<sup>2</sup> (R-Square) = 0.581 indicates that the direct influence of the internal control variable (X1) and compensation (X2) on the performance of honorary employees (Y) is 58.1%. This means that there is an unmeasured epsilon variable ( $\epsilon$ ) of 41.9%.

### 4.4 Discussion

#### 4.4.1 The Influence of Internal Control on the Performance of Honorary Employees

The results of hypothesis testing show that X1 has a significance value greater than the significance level or the t-value is greater than the t-table value. Therefore, it can be concluded that the research results indicate that internal control partially has a positive and significant effect on the performance of honorary employees.

These findings are consistent with the research conducted [13], which states that there is a positive and significant relationship between internal control and performance. Thus, the previous hypothesis is supported, further strengthening the results of previous research related to the influence of internal control on the performance of honorary employees at Bapenda Province of Southeast Sulawesi.

#### 4.4.2 The Influence of Compensation on the Performance of Honorary Employees

The results of hypothesis testing show that the compensation variable has a significance value smaller than the significance level or the t-value is greater than the t-table value. Therefore, it can be concluded that the research results indicate that compensation partially has a positive and significant effect on the performance of honorary employees, and the previous hypothesis can be accepted.

The provision of compensation with indicators such as salary, allowances, and incentives serves as a reference for all honorary employees at Bapenda Province to improve their performance. The test results prove that the dominant indicator contributing to compensation is incentives. This also indicates that the compensation provided to honorary employees at Bapenda Province is highly appreciated by them. Thus, the expected outcome of providing compensation, which is good performance by honorary employees, has been successfully achieved.

These findings are consistent with the research conducted [14], which revealed that compensation has a significant partial effect on performance. Compensation also indirectly affects employee performance, indicating that compensation is a variable that significantly influences the level of performance.

#### **4.4.3 The Influence of Internal Control and Compensation on the Performance of Honorary Employees**

The test results show a positive influence on the performance of honorary employees. This can be seen from the average response scores of respondents to each item falling into the "good" category. Based on the results of the factor analysis, the most dominant indicator forming the variable of honorary employee performance is the second indicator, which is work quantity. Work quantity refers to the number of activities produced or cycles of activities completed within a specified period and is done maximally. Therefore, with good internal control, work supervision can be carried out to ensure that the work is completed on time. Additionally, the provision of compensation serves as a reference for all honorary employees at Bapenda Province to improve their performance.

These findings are consistent with the research conducted by Dito, Anoki Lataruva, Eisha (2015) titled "Pengaruh Kompensasi Terhadap Kinerja Karyawan PT. Slamet Langgeng Purbalingga Dengan Motivasi Kerja Sebagai Variabel Intervening" [15]. The research found that the internal control variable significantly influences employee behavior, while personnel audit does not significantly affect employee behavior. Compensation significantly influences employee behavior at CV. Arch Consultant Engineering 4 Palembang.

## **5 Conclusion**

- a. Internal control is determined by the condition where the T-value > T-table. Therefore, it can be concluded that the internal control variable has a positive and significant partial effect on the performance of honorary employees. This means that better internal control has a positive influence on performance.
- b. Compensation is determined by the condition where the T-value > T-table. Therefore, it can be concluded that the compensation variable has a positive and significant partial effect on the performance of honorary employees. This means that the compensation provided has an impact on the performance of honorary employees at the Provincial Revenue Office (Bapenda) of the Province.
- c. Internal control and compensation are determined by the condition where the F-value > F-table, indicating that they simultaneously have a significant influence on the performance of honorary employees. This means that both internal control and compensation at the Provincial Revenue Office (Bapenda) of the Province jointly influence the performance of honorary employees. This demonstrates that the control measures are adequate, and the compensation provided can enhance performance outcomes.

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