The Role of Fairness in Allocating Performance Incentive as Moderating Variable on the Effect of Work Discipline, Self-Efficacy, and Leadership Competency to Employee Performance

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ABSTRACT
This research aims to analyze, examine, and explain the role of fairness in incentive distribution as moderator between the relationship of work discipline, self-efficacy, and leader competence to employee performance. The research is conducted at The Office of Lembaga Layanan DIKTI VIII Denpasar with a total sample of 55 people. Survey research was conducted by distributing questionnaires to all target respondents. Data attained from the survey results subsequently analyzed using Structural Equation Modeling with the Smart-PLS program. The result indicates that working discipline and self-efficacy are able to improve employee performance at LLDIKTI VIII Denpasar, while leader competence cannot increase employee performance. The essential key to improve employee performance depends on working discipline and self-efficacy. Furthermore, by examining the moderating variable of fairness in incentive distribution, this study also found that. The overall result suggests that self-efficacy is the most significant variable that determine employee performance in addition to working discipline, while leader competence cannot improve employee performance. On the other hand, fairness in incentive distribution determines leader competence in improving employee performance at LLDIKTI VIII.

Keywords: working discipline, self-efficacy, leader competence, fairness in incentive distribution.
I. INTRODUCTION

LLDIKTI is an institution in charge and responsible for coordinating state and private universities that exist under its regional area. As for the task of LLDIKTI based on regulation of the Minister of Research, Technology and Higher Education No. 15 of 2018 article IV is to implement the mapping of higher education quality, facilitating the quality improvement of higher education process, assisting the improvement of the quality of higher education management, implementation of university readiness in external quality guarantors, implementation of evaluation and reporting of the universities’ quality improvement facilitation and the administration process. LLDIKTI region VIII covers Bali and NTB as its working region. With the increased responsibility and authority of LLDIKTI, Kemenristekdikti aims to enhance the quality of higher education, accreditation of courses and institutions of public and private universities will improve, number of research projects improves in terms of quality and quantity.

LLDIKTI region VIII has 55 employees that assigned into 7 sub sections, to realize the task mandated by Minister of Research, Technology, and Higher Education Regulation Number 15 Year 2018 and to implement the vision and mission of LLDIKTI region VIII, hence the role of human resources is prominent, as the human resource is the main driver of an organization and an asset that must be nurtured and supported. Human capital is one of the most critical factors that must be managed well to improve the effectiveness and efficiency of an organization or company. Therefore, human resource management is an activity program to attain qualified human resources, develop, nurture and empower to support organization to achieve its objectives.

Employee performance in an organization is required to give positive contribution through good performance, given the organizational achievement depends on the performance of its employees, the better the performance of employees the better the achievement of an organization. According to (Mangkunegara, 2005:67) suggests the performance is the result of work both in quality and quantity achieved by an employee in carrying out the duties in accordance to the responsibilities given. The following are tasks referred in Permenristek Number 15 Year 2018 is.

1. Preparation of LLDIKTI plans, programs, activities and budgets
2. Management of data and information in department of institutions, academics, student affairs, resources, and higher education information systems.
3. Preparation of facilitation and technical guidance on institutional quality improvement, academics,
An employee should own a sense of self-efficacy within each of them since by having a sense of self-efficacy, however difficult a job is will be carried out as well as possible. According to Bandura (1986) there are four causes why one can have high or low self-efficacy. These four causes are grounded experiences, for example, an employee has worked at another institution in which all of the work performed excellently. Hence, the sense of self-efficacy will be able to encourage employee at the current organisation. Having that experience also means that if a coworker that possess similar competency can finish a job well then one also certainly can. This social persuasion emerges if one day an employee is given a task to carry out a difficult and challenging job and fellow coworkers encourage her, surely it is possible that a sense of self-efficacy will emerge. This psychological state demonstrates that when one is in the state of feeling happy, regardless how many work that are being assigned, one can certainly perform well. Previous research indicates that self-efficacy significantly influences employee performance, the more convinced an employee regarding his ability to complete a task, consequently all tasks assigned to the employee will achieve satisfactory results (Stajkovic, et al.; 2017; Jung, et al.; 2017; Honicke, et al.; 2015; Chen, et al.; 2016; Diaz et al.; 2017).

Leadership competency is the spearhead in achieving organizational objectives, the competence of a leader will direct and distribute a task as well as possible. One's ability to lead is necessary to achieve the stated objectives. Successful leaders are leaders who can influence their subordinates to work together to achieve the stated goals, this is in line with Yukik's opinion (2010: 22) stating that leadership involves a process of influencing related to assisting collective task performance, meaning implicitly explains that there is a strong relationship between leadership and performance. A leader must be decisive in making a decision, successful decision and does not fickle. A leader must be perceptive in making a decision and fully responsible to his choice. People who are led need certainty and firmness in making decisions, with high integrity leaders who are honest and trustworthy will motivate enthusiasm and performance of employees as a whole. People who are led will be committed, loyal, and respectful to their trusted leader. This visionary is one of the most critical qualities that distinguishes a leader from followers.

A leader must be able to vision future, motivating and shows goals to progress together and direct the way of their vision so that followers do not get lost. Persistent leaders who succeed in bringing positive changes and progress are those who never give up. Even so, great leaders also remain flexible and not too rigid in pursuit of achieving goals, perseverance. Ultimately, a leader is a superior person, capable to negotiate and communicate, and able to direct others. The prominent quality of a leader is to synergize various capabilities of its members and manage various existing resources. Covering the shortcomings and maximizing the strengths of the group so that it leads to success together. To process these resources and optimize the utilisation of capital for the benefit of all.

Empirical results on studies regarding leadership competency found a direct effect on employee performance. Employees are eager to complete their tasks because leaders provide guidance and solutions to problems faced by employees (Sturm, et al.; 2016; Minh et al.; 2017; Chiniara, et al.; 2016; Soleha, et al.; 2012; Nishimura, et al.; 2017). However, unlike previous findings, research conducted by (Nurhayati; 2017; Septiyani; 2013) suggests that competency does not have an effect on improving employee performance, from this phenomenon it is necessary to re-examine whether competency variable can improve employee performance.

Performance incentive is one of the bonuses of employee work results, with discipline, self-efficacy, and leadership competency in the work target planned at the beginning of a year and will be evaluated at the end of the year whether it meets target. To motivate the performance of employees to do their best for the organization, thus performance incentive is necessary, which is proven by the issuance of Presidential Regulation No. 135 of 2015 during the 1 year evaluation, it was found that incentives can enhance employees performance at the Ministry of Research, Technology and Higher Education. The following year in 2016, Presidential Regulation No. 32 of 2016 were issued regarding an increase in performance incentive at Ministry of Research, Technology and Higher Education. The rules of giving performance incentive will be able to improve employee work discipline because if they are not discipline it will lead to deduction of incentive. Moreover, if an employee cannot achieve targets made at the beginning of a year will result in a decrease in job class, and finally lower the chance to get a promotion. DP3 assessment will decrease if work targets is not met. According to the study (Tening; 2018) states that performance incentive
has a positive effect on employee performance. Performance incentive is very important because since this performance incentive distributed at LLDIKTI Region VIII, employees have become more disciplined and able to complete tasks at the specified time. According to the study (Tening; 2018) states that performance incentive has a positive effect on employee performance. Performance incentive is prominent because ever since this performance incentive allocated, LLDIKTI Region VIII employees have become more disciplined and able to complete tasks at the specified time.

Research Objective

The research objectives of this study are to test and analyze work discipline, self-efficacy and leadership competency on employee performance. To test the moderating effect of fairness in allocating performance incentive on the effects of work discipline, self-efficacy, leadership competency on employee performance.

II. LITERATURE REVIEW

Discipline is a tool used by managers to communicate with employees so that they are willing to change a behavior and as an effort to increase employees awareness and willingness to comply with all organisation regulations and social norms that apply Rivali (2004: 444). Employee discipline has a significant effect on employee performance, the more disciplined employees carry out an assigned task, the better the employee performance (Mangkunegara and Waris, 2015, Santoso, et al., 2015, Imran, 2015, Handayani, 2014, Harlie, 2011). Therefore according to literature review and empirical research, hypothesis can be derived that work discipline can positively influence employee performance.

Self-efficacy refers to individual beliefs about one ability to mobilize motivation, cognitive resources, and certain actions needed to achieve success in carrying out all tasks assigned (Luthans, 2006). Myers (in Suseno, 2009) suggests that self-efficacy relates to how individuals feel capable to undertake a task. Self-efficacy significantly influences employee performance, the more convinced an employee will be of his ability to complete a task, then all the tasks assigned to the employee will get satisfactory results (Stajkovic et al., 2017, Jung et al., 2017, Honicke & Broadbent, 2015, Chen, 2016, Diaz and Arroyo, 2017). Based on literature review and empirical research, hypothesis can be formulated that self-efficacy has a positive effect on employee performance.

Competency is a characteristic that exists within employees (such as motives, personality, expertise, aspects of one's image, social role or form of knowledge) in which because of it results in effective performance and / or superior performance Boyatzis in Tiwari (2012). Leadership competency has a direct effect on employee performance. Employees will be motivated to complete their work because leader can guide and provide solutions to problems faced by the employees (Sturm et al., 2016, Minh et al., 2017, Chiniara and Bentein, 2017, Soleha et al., 2012, Nishimura and Okomura, 2017). According to literature review and empirical research, hypothesis can be formulated that leadership competency has a positive impact on employee performance.

The policy of allocating performance incentive can improve employee work discipline because employees are required to be disciplined. Non discipline behaviour will result in deduction of the amount of incentives, whereas if work targets made at the beginning of the year are not performed, employee assessment on target and performance (SKP) cannot be achieved. If the SKP target is not fulfilled, employee will not be able to submit a promotion proposal, the DP3 assessment will decrease if the achievement of employee work targets is not met (Presidential Regulation Number 135 of 2015). It is considered necessary to add moderator variable of fairness in allocating performance incentive as testers whether this variable strengthen or weaken the effects of work discipline, self-efficacy, leadership competency on employee performance.

III. RESEARCH METHOD

This study is a survey-based research that attempts to test the hypotheses and explain the role of moderator of fairness in allocating performance incentive on the effects of work discipline, self-efficacy and leadership competency on employee performance. The respondents in this study are all employees of LLDIKTI Region VIII Denpasar with questions or statements using the Likert scale. The total respondents in this study amounted to 55 civil servant employees. Since the research object is less than 100, so the research is a census research (Sugiyono, 2013). There are 5 (five) variables used in this study, including work discipline ($X_1$), self-efficacy ($X_2$) and leadership competency ($X_3$) which are independent variables and employee performance ($Y$) is a dependent variable and also fairness in allocating performance incentive ($M$) is a moderating variable.

Once the sample is determined, it was continued by collecting data through observation, interviewing, recording documents and distributing questionnaires to the respondents. The experimental results of testing 30 research instruments showed that all the question items from
the five variables studied were valid, and indicate good levels of reliability. Therefore, the research instrument can be distributed to all sample targets. Based on the data that has been collected, the validity and reliability tests were conducted and data analysis will be carried out. The results of data analysis will be interpreted which will then be drawn a conclusion and suggestion.

IV. RESEARCH RESULT

Hypothesis testing is done to determine the effect on each path with the T-Statistic. The following table and description describe the results of the testing of each effect in Table 1 as follows:

<table>
<thead>
<tr>
<th>Num.</th>
<th>Relationship between Variables</th>
<th>Path Coefficient (Bootstrapping)</th>
<th>T-Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Work Discipline =&gt; Employee Performance</td>
<td>0,173</td>
<td>2,062</td>
</tr>
<tr>
<td>2</td>
<td>Self-efficacy =&gt; Employee Performance</td>
<td>0,594</td>
<td>3,614</td>
</tr>
<tr>
<td>3</td>
<td>Leadership Competency =&gt; Employee Performance</td>
<td>0,101</td>
<td>0,824</td>
</tr>
</tbody>
</table>

Source: Analysis Findings

The results of the hypothesis presented in Table 1 indicate that work discipline (X1) is proven to have a positive and significant effect on employee performance (Y). This result is shown by the path coefficient which is valued at 0.173 with T-statistic = 2.062 (T-statistic > 1.96), hence hypothesis -1 (H1): hypothesis 1 is accepted. This result provides evidence that the more disciplined employee is in carrying out the task, it will improve employee performance of LLDIKTI region VIII.

Self-efficacy (X2) has a positive and significant effect on employee performance (Y). This result is shown by a path coefficient that is valued at 0.594 with a T-statistic = 3.614 (T-statistic > 1.96), so the hypothesis -2 (H2): is accepted. This result provides evidence that employees who have high self-efficacy can improve employee performance at LLDIKTI region VIII.

Leadership competency (X3) has a positive and not significant effect on employee performance (Y). This result is indicated by the path coefficient which is equal to 0.101 with a T-statistic = 0.824 (T-statistic < 1.96), so hypothesis -3 (H3): rejected. This finding provides evidence that leadership competency has not been able to influence the improvement of employee performance at LLDIKTI region VIII.

MODERATOR EXAMINATION RESULTS

The results of the moderation test presented in Table 2 indicate that the analysis of moderating variable, Fairness in Allocating Performance Incentive (M) on the effects of the Work discipline (X1) on Employee Performance (Y) indicates a homologiser moderation. This is shown by the effect of Fairness in Allocating Performance Incentive (M) on employee performance (Y) is not significant with T-Statistic worth 0.304 (T-Statistic <1.96) and the moderating effect of fairness in allocating performance incentive and work discipline (M * X1) on employee performance (Y) with T-Statistic value 1.607 (T-Statistic <1.96). This result implies that the fairness in allocating performance incentive (M) does not interact with work discipline (X1) on employee performance (Y) in other words, regardless of the fairness in allocating performance incentive will not influence work discipline to improve employee performance.

This study examines one moderating variable, namely fairness of allocating performance incentive with three interrelated variable path coefficients (X * M). The findings of the examination of the moderating variable can be seen in Table 2 as follows:

<table>
<thead>
<tr>
<th>Num.</th>
<th>Relationship between Variables</th>
<th>Path Coefficient (Bootstrapping)</th>
<th>T-Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fairness in Allocating Performance Incentive =&gt; Employee Performance</td>
<td>0,056</td>
<td>0,304</td>
</tr>
<tr>
<td>2</td>
<td>M*X1 =&gt; Employee Performance (Y)</td>
<td>-0,193</td>
<td>1,607</td>
</tr>
<tr>
<td>3</td>
<td>M*X2 =&gt; Employee Performance (Y)</td>
<td>0,122</td>
<td>0,165</td>
</tr>
<tr>
<td>4</td>
<td>M*X3 =&gt; Employee Performance (Y)</td>
<td>0,285</td>
<td>2,178</td>
</tr>
</tbody>
</table>

Source: Analysis Findings

The test of moderating variable of fairness in allocating performance incentive (M) on the effect of self-efficacy (X2) on Employee Performance (Y) indicates a homologiser moderation. This is shown by the effect of fairness in allocating performance incentive (M) on Employee Performance (Y) not significant with T-Statistic worth 0.304 (T-Statistic <1.96) and the moderating interaction effects of fairness in allocating performance incentive and self-efficacy (M * X2) on employee performance (Y) with a T-Statistic value of 0.165 (T-Statistic <1.96). This result means that the fairness in allocating performance incentive (M) does not interact with self-efficacy (X2) on employee performance (Y).
other words, regardless of fairness in the provision of performance incentive will not affect self-efficacy to improve employee performance. The test of fairness in allocating performance incentive (M) on the effect of leadership competency (X3) on Employee Performance (Y) signifies a pure moderation. This is indicated by the effect of fairness in allocating performance incentive (M) on employee performance (Y) significantly with T-Statistic worth 0.304 (T-Statistic <1.96) and the moderating interaction effect of fairness in allocating performance incentive and leadership competency (M * X3) on employee performance (Y) with a T-Statistic value of 2.178 (T-Statistic > 1.96). This result indicates that the fairness in allocating performance incentive (M) interacts with leadership competencies (X3) on employee performance (Y). In other words, the fairness in allocating performance incentive can affect leadership competency in improving employee performance.

Discussion

1. The effect of work discipline on employee performance

The results of hypothesis testing indicates that work discipline has a positive significant effect on employee performance. This result signifies that the more disciplined employees conduct a task, the better the employee performance at LLDIKTI Region VIII. The finding of this study is consistent with the research conducted previously (Mangkunegara And Waris, 2015, Santos, et al., 2015, Imran; 2015, Handayani; 2014, Harlie; 2011). However, the result of this study is not in line with the research conducted by Ariyanto (2013). Other information that can be explained by work discipline that tends to prioritize punctuality, usage of office equipment, responsibilities and office rules can improve employee performance which are reflected in the quality of work, punctuality, initiative and capability. Work discipline reflects the extent to which employees have responsibility for tasks that are assigned which is responsible for the tasks and responsible for the tasks target. Good work discipline can point out a variety of positive behaviors from respondents and can improve employee performance as expected.

2. The effect of self-efficacy on employee performance

The result of hypothesis testing indicates that self-efficacy has a positive and significant effect on employee performance. These results implies that the more self-efficacy of employees in undertaking a task, the better the employee performance of LLDIKTI Region VIII. The result of this research is consistent with the research conducted (Stajkovic, et al., 2017, Jung, et al., 2017, Honicke and Broadbent, 2016, Chen, 2016, Diaz, and Arroyo, 2017). The findings of this study illustrate that self-efficacy that tends to prioritize completing certain tasks, self-motivation, hard work, being able to face difficulties and completing tasks can improve employee performance as reflected in the quality of work, punctuality, initiative and capability. Self-efficacy reflects the extent to which employees have the ability to complete certain tasks charged where they want to carry out work or tasks outside their target work and are confident of being able to meet the specified work targets. Good self-efficacy can signifies a variety of positive behaviors from respondents and can improve employee performance as expected.

3. The effect of leadership competency on employee performance

The results of hypothesis testing indicate that leadership competence has a positive and not significant effect on employee performance. This result provides evidence that leadership competency has not been able to influence the improvement of employee performance at LLDIKTI region VIII. In another study, moderation examination showed that fairness in allocating performance incentive was able to moderate the effect of leadership competency on the employee performance of LLDIKTI region VIII. These results provide signs that a fair sense of the provision of performance incentive that highlight a fair distribution will play a more important role in determining leadership.
competencies in improving employee performance. The results of this study are in line with the research conducted by Nurhayati (2017), and Septiyani (2013). Nevertheless, the results of this study are not in line with the research conducted (Sturm, et al, 2016, Minh, et al., 2017; Chiniara and Bentein, 2017, Soleha, et al., 2012; Nishimura and Okomura, 2017). A fair distribution as justice in providing information regarding performance incentive and task distribution in accordance with the work goals of employees made at the beginning of the year so that the fairness in allocating performance incentive is improving by not overriding procedural justice indicators. Leadership competencies reflect the extent to which leaders are able to coordinate task evenly and are able to provide solutions to any problems faced. Good leadership competencies can signify a variety of positive behaviors from respondents and can improve employee performance as expected.

Moderation Analysis Findings
1. The results of the examination of moderating variable, fairness in allocating performance incentive on the effects of work discipline on employee performance indicates homologiser moderation. This implies that the fairness in allocating performance incentive does not interact with work discipline on employee performance. In other words, regardless of the sense of fairness in allocating performance incentive will not affect work discipline to improve employee performance.

2. The examination results of the moderating variable of fairness in allocating performance incentive on the effect of self-efficacy on employee performance indicates a homologiser moderation. This implies that the fairness in allocating performance incentive does not interact with self-efficacy on employee performance. In other words, regardless of fairness in the provision of performance incentive will not affect self-efficacy to improve employee performance.

3. The examination results of testing the moderating variable of fairness in allocating performance incentive on the effect of leadership competency on employee performance indicates a pure moderation. This implies that fairness in allocating performance incentive interacts with leadership competencies on employee performance. In other words, the fairness in allocating performance incentive can determine leadership competencies in improving employee performance.

V. CONCLUSIONS AND RECOMMENDATIONS

Conclusions
Work discipline has a positive and significant effect on employee performance at the LLDIKTI region VIII Denpasar. This implies that the more disciplined employees are in doing a task, the better the employee’s performance will be. Similarly, when the work discipline is not good, it will have a negative impact on employee performance. This work discipline has a direct effect on improving employee performance at LLDIKTI region VIII.

Self-efficacy has a positive and significant effect on employee performance at LLDIKTI Region VIII Denpasar. This implies that employees who have high self-efficacy in doing a task will have a better impact on employee performance. Similarly, if the self-efficacy is not good it will have a negative impact on employee performance. This self-efficacy has a direct effect on improving the employee performance LLDIKTI region VIII.

Leadership competencies have a positive and non-significant effect on employee performance at LLDIKTI VIII. This result provides evidence that leadership competency has not been able to influence the improvement of employee performance. However, the fairness in allocating performance incentive is able to interact with the leadership competencies to determine employee performance. These results provide an indication that the fairer the allocation of performance incentive that emphasizes fair distribution will be more influential in determining the competence of leaders in improving employee performance of LLDIKTI region VIII.

The fairness in allocating performance incentive to the effects of work discipline on employee performance indicates insignificant influence. This result provides evidence that regardless of the fairness in allocating performance incentive will not be able to determine work discipline to enhance employee performance of LLDIKTI Region VIII.

The fairness in allocating performance incentive to the effect of self-efficacy on employee performance indicates insignificant influence. This result provides evidence that regardless of fairness in allocating performance incentive will not be able to determine self-efficacy to improve employee performance of LLDIKTI region VIII.

The fairness in allocating performance incentive to the effect of leadership competency on employee performance indicates a significant effect. This result implies that fairness in allocating performance incentive can affect leadership competency in improving employee performance. That a fair sense of giving performance incentive...
that emphasizes fair distribution will play a prominent and important role in determining leadership competencies in improving employee performance.

**Recommendation**

1. Self-efficacy at the LLDIKTI Region VIII Denpasar office is the most important indicator in improving employee performance which gets the highest score among other indicators. Self motivation that shows the highest average value and provides important guidance for the LLDIKTI Region VIII office to pay more attention to and maintain self motivation as an initiative to facilitate work and find solutions to each problem faced so that self-efficacy is enhanced without overriding indicators completing certain tasks, willing to work hard, and be able to challenge difficulties.

2. Work discipline is an important factor to improve the performance of LLDIKTI region VIII offices, for which the organization is expected to pay more attention namely to responsibilities for work and being responsible for work targets in order to improve work discipline by not setting aside indicators punctuality, using office equipment, and office rules.

3. Leadership competency is the spear head in efforts to improve the performance of Region VIII LLDIKTI offices. Therefore, leaders are expected to pay more attention to social competencies such as to communicate well and direct attention to subordinates so that leadership competencies are improved by also not ignoring indicators of employment-related competencies and self competencies.

4. The fairness in allocating performance incentive is the factor that can improve the influence of leadership competencies on enhancing employee performance at LLDIKTI Region VIII. Consequently, the office of LLDIKTI Region VIII is expected to be more attentive and carefully consider distributive fairness concept such as communicating information regarding performance incentive fairly, and allocating tasks accordingly based target achievement that has been committed since the beginning of year. Therefore, fairness in allocating performance incentive will improve without ignoring procedural fairness indicator.

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