

Effect of Transformational Leadership, Compensation and Work Experience on Performance of Employee: Moderating effect of Self Efficacy

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ABSTRACT

This study aims to analyzed the effect of transformational leadership, compensation and work experience on performance with self efficacy as moderating at Universitas Negeri Padang. This study used a sample of 267 employee at Universitas Negeri Padang. The research instrument used a questionnaire which distributed to Universitas Negeri Padang employee as respondents. The data Analysis method used Partial Least Square (PLS). The results of this study revealed that (1) transformational leadership has significance effect on performance, (2) compensation has significance effect on performance , 3) work experience has significance effect on performance and 4) self efficacy is to moderated on the effect of compensation on performance

Keywords: *Transformational Leadership, Compensation, Work Experience, Self Efficacy and Performance.*

1. INTRODUCTION

This research was conducted at Padang State University, which is one of the A-accredited State Universities by the National Accreditation Board for Higher Education (BAN-PT). Padang State University actually has a total of 45,000 students, 1,223 educators, 8 faculties, 1 undergraduate program and 102 study programs. Thus, Padang State University needs educational staff who are able to manage and coordinate the administration of the entire academic community. So that the biggest challenge of Padang State University is to improve the performance of the teaching staff.

However, based on the results of observations made by the author who is part of the education staff population during their 3-year work at Padang State University, precisely March 2017 to June 2020 there are still several phenomena related to the lack of good performance of the teaching staff and this must be improved. The performance phenomenon in question is based on the performance indicatfrom Koopmans (2013) used in this study.

First, Counterproductive Work Behavior, a phenomenon of Counterproductive Work Behavior that occurs at Padang State University is related to the not yet good level of not coming without news and being late for education personnel. This is based on the data that the researchers got from the Staffing of the State University of Padang, which shows that the educational staff in the unit still has a sufficient percentage of absences and tardiness.

Both performance tasks. Educational personnel show poor task performance. One example, based on the observations of researchers at an Institute for Research and Community Service. One of the education staff was asked for the Sinta Score data for the affiliation of Padang State University to the publication center and HaKI of LP2M UNP. When the data is requested from one of the educators at the HaKI publication center, it will be completed within 7 working days and the data is submitted to the leadership at the exact time determined by the data provided in accordance with what was instructed by the leadership. However, the educational staff completes the work requested by the leader beyond the given time with results that

have several errors that do not match the actual conditions in the data provided after re-checking. This shows the lack of value in the quantity and quality of the work done.

Furthermore, several phenomena related to leadership were found based on indicators from Bass and Avolio (2011). First, education staff feel that their leader still has not very good Inspiration Motivation. One example is in one unit. The education staff at the UHBMN unit believes that they are given tasks by difficult leaders without being motivated by the leadership to complete the task. When leaders do not provide encouragement and motivation to employees this right will reduce the value of their performance. Second, it can also be seen from the LP3M unit that the leader does not have enough Individualized Consideration value. An example that can be seen is that the leader has not been able to provide advice regarding the progress of work, education personnel feel that the leader only gives assignments without listening to complaints and giving work-related advice.

Then, compensation in accordance with the hope of employees for their work can spur employee morale to work in better from time to time, thus providing a positive impact on improving employee performance results. Satisfaction with the amount of compensation is the main element in creating morale. In addition, compensation satisfaction also plays a role in shaping attitude of employee at work. When compensation is given in accordance with or more than the work of the employee, this will improve the performance of the employee and when employees are given allowances, awards and bonuses, it will motivate employees to work because they feel appreciated when doing a job. Furthermore, if it is seen from the non-financial compensation, after doing the observation it can be seen in one unit. Provision of inadequate work support facilities. For example, the KPTU unit requires a color printer and scanner for administrative purposes, but procuring these suggestions requires a long and long process. This makes the work done will decrease due to inadequate facilities to support work.

On the other hand, it is assumed that an employee's performance can be affected by the work experience they have. Work experience affects the work performance of an employee (Raithatha et al, 2016). The work period can be a reference for the work experience an employee has, the longer the work period an employee has, the richer the work experience will be. Work experience is one of the most important factors for improving employee work results both in quantity and quality (Greene, 2010). Experience is the best teacher, this also applies to the work experience of employees in an organization. Work experience is a person's main capital to get involved in certain fields. Employees who are experienced at work will form expertise in their fields, so that in doing a task it will be quickly resolved. According to Trijoko (1980), work experience is knowledge or skills that someone has known and mastered as a result of an act or job that has been done for a certain period of time. With the experience gained, a person will be more capable and skilled and able to carry out their job duties. Repetitive practice will strengthen and enhance one's knowledge and abilities.

If we look at the education staff at the State University of Padang, we find a phenomenon related to self-efficacy in the results of observations that are seen from the educational staff who are in one of the Public Relations units. When the unit was given the task of making an admission brochure for the new school year, they were unable to properly interpret the results desired by the leadership. The work was not completed on time, and even in designing the form and writing, in the end, the leadership executed the idea so that the brochure was fit for printing. This shows that there is still low self-efficacy that exists in education staff, as shown by the lack of creativity in solving the task given by the leadership.

Based on these phenomena that occur at the State University of Padang, it can be concluded that several factors that affect the performance of education personnel include leadership, compensation and work experience. Because basically the factors that affect employee

performance include: 1) individual factors (physical and mental health, education and knowledge, work experience, work environment, needs and achievements), 2) organizational factors (description of main duties, compensation, work relations, leadership, occupational health and safety), and 3) management factors (conceptual skills, skills relating to others). Apart from that, factors that also affect employee performance include: 1) employee internal factors (personal characteristics, talents, skills, knowledge, work motivation), 2) internal organizational environmental factors (compensation system, work climate, supporting facilities) and 3) external environmental factors of the organization (economic crisis, government regulations).

Finally, our study contributes to the emerging research focusing on the relationship between transformational leadership, compensation and work experience on employee performance with self efficacy as moderating effect in employee of Universitas Negeri Padang.

The objective of the current study: (a) to analyze the relationship of transformational leadership and employee performance on Universitas Negeri Padang, (b) to analyze the relationship of compensation and employee performance on Universitas Negeri Padang, (c) to analyze the relationship of work experience leadership and employee performance on Universitas Negeri Padang, (d) to analyze the moderating effect of self efficacy on transformational leadership, compensation, work experience and employee performance on Universitas Negeri Padang.

1.1. Hypothesis

1.1.1. Relationship between Transformational Leadership and Performance

Sriruechaa and Buajan (2017) stated that when a leader has a transformational leadership style, with the high ability of a leader to coordinate with a team, good organization, high levels of

communication and self-mastery can influence on the achievement of an employee's performance. This is supported by research by Haqq et al (2016), Johannes et al (2019), Victor et al (2012), Wahaba et al (2016) and Wecker and Kolbe (2014) who noted that Transformational Leadership has an effect on employee performance. Based on theory and previous researches, a hypothesis can structure as follow:

H1: Transformational Leadership has a significance effect on the performance of employee at Universitas Negeri Padang.

1.1.2. Relationship between Compensation and Performance

Bennet et al (2017) proved that compensation has a positive impact on performance. When compensation has given based on or more than had been worked by employees, that it will improve the performance of employees. Then, Margaret et al (2016) and Davis et al (2013) proved that compensation also has a positive effect on employee performance. When employees has given benefits, rewards and bonuses by organization, it will improve employee performance because they feel valued when doing a job. Based on theory and previous researches, a hypothesis can structure as follow:

H2: Compensation has a significance effect on the performance of employee at Universitas Negeri Padang.

1.1.3. Relationship between Work Experience and Performance

According to Cho et all (2018) and Li et all (2018) in their research showed that the impact of work experience on performance has positive. It can be seen that previous experience will greatly good affect in working for an employee. Based on theory and previous researches, a hypothesis can structure as follow:

H3: Work Experience has a significance effect on the performance of employee at Universitas Negeri Padang.

1.1.4. Relationship between Transformational Leadership, Compensation and Work Experience on Performance with Self Efficacy as a moderating variable

Keith and Andrew (2007) explained that when an employee has high confidence in completing a given task, it will improve employee performance at work. Then, Haddad et al (2016), Meral et al (2012).Huong et al (2017) and Ardi et al (2017) explained that in their research results, self-efficacy affected performance. Based on theory and previous researches, a hypothesis can structure as follow:

H4: Self efficacy has a significance moderating effect on Transformational Leadership on Performance of employee at Universitas Negeri Padang.

H5: Self efficacy has a significance moderating effect on Compensation on Performance of employee at Universitas Negeri Padang.

H6: Self efficacy has a significance moderating effect on Work Experience on Performance of employee at Universitas Negeri Padang.

Based on the description above, this way this research important to conducted. The concept of this research can be seen in Figure 1:

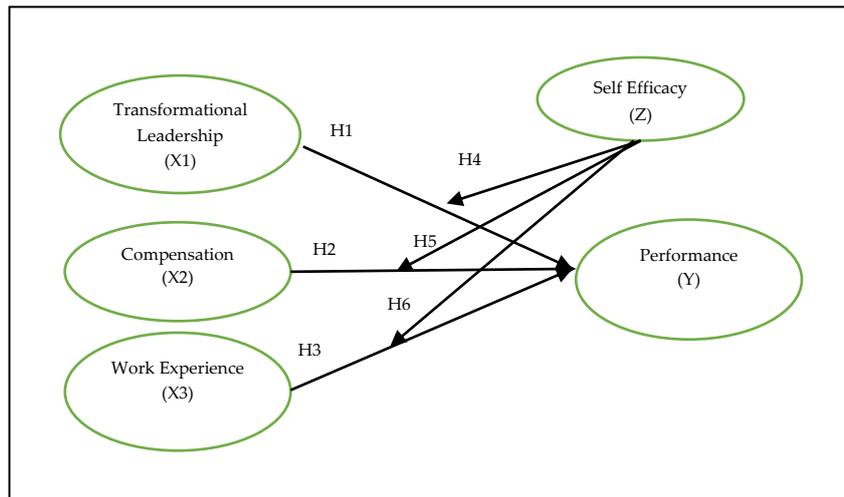


Figure 1. The concept of study

2. METHODS

2.1. Population, Sample and Data Collection Procedures

All the employee of Universitas Negeri Padang were taken as population. The sample consisted 267 from all unit which divided into two type, 128 civil servant and 139 staff. Then, sample of this study was selected on *Proportionate Clustered Random Sampling* technique. Sekaran and Bougie (2016) say that Proportionate Clustered Random Sampling is a technique for taking a number of samples by taking each group or class according to their proportions. For the data collection used several steps: First, distributed the questionnaires to 267 employee who has been selected. we have developed questionnaires from previous studies. This study used a Likert scale of five-point from strongly disagree (1) to strongly agree (5) for the answer. Second, we input the data to the software program.

2.2. Measurement

This study has employed five constructs (i.e., transformational leadership, compensation, work experience, employee performance and self efficacy) and has adopted the variable measurements from relevant literature in the previous studies. We adopted the measurement for transformational leadership from Ali, et al (2014).

The compensation construct has been adopted from Sulhi (2017). The work performance construct has been measured by using indicators from Foster (2001). The Employee performance construct has been adopted from Koopmans, dkk (2013). Finally, the self efficacy construct has been measured by using indicators from Kurzform, dkk (2013). The data analyzed by using Structural Equation Modelling (SEM) PLS with Smart PLS 3 (Hair et al., 2014).

3. RESULTS AND DISCUSSIONS

3.1. Result

The data that has been collected by using Smart-PLS software. To validate the research model that build, measured two main parameters that build, They are testing construct validity (convergent and discriminant) and testing internal consistency (reliability). The construct validity test was measured by the parameters of loading score, AVE, communality, R2, and redundancy. AVE scores must be > 0.5, communality > 0.5, and redundancy is close to 1. Test reliability (reliability) can see from the value of cronbach's alpha and composite reliability values. Cronbach's alpha value must be > 0.6 and the composite reliability value must be > 0.7. The results of data analysis can be seen through the following table 1:

Table 1. Hypothesis Testing Result

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
COMP -> PERF	0.289	0.281	0.062	4.628	0.000
Moderating Effect 1 -> PERF	-0.107	-0.112	0.058	1.839	0.066
Moderating Effect 2 -> PERF	0.072	0.071	0.045	1.594	0.111
Moderating Effect 3 -> PERF	-0.133	-0.126	0.051	2.612	0.009
SE -> PERF	0.361	0.357	0.050	7.203	0.000
TL -> PERF	0.130	0.141	0.056	2.312	0.021
WE -> PERF	0.165	0.170	0.050	3.275	0.001

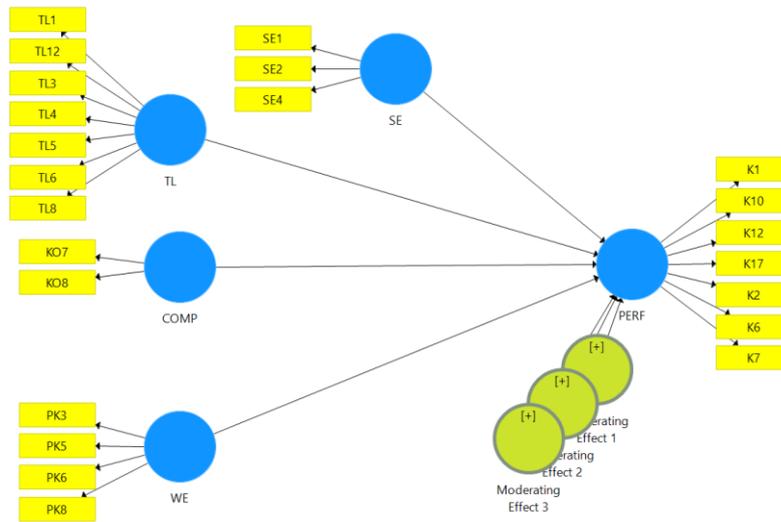


Figure 2. Research Model

3.2. Transformational Leadership on Performance

Based on the data showed that transformational leadership and performance has P-Values as 0.021. It mean that transformational leadership give positive impact to employee performance at UniversitasNegeri Padang, because it can see from the data P-Values < 0.05. It concluded that when the leader has high criteria of transformational leadership can increase performance of employee. Hence H1 is accepted.

3.3. Compensation on Performance

From the data above it can be conclude that compensation has positive significance impact on performance. It can see compensation has P-Values of 0.000 and Original Sample value of 0.289. When employees has given benefits, rewards and bonuses by organization, it will improve performance of employee because they feel valued when doing a job. Thus, H2 is accepted.

3.4. Work Experience on Performance

In this research work experience has positive significance impact on performance of employee. It can be conclude that when the employee has

experience about something that they do, it can increase performance of them. From the table of the result above we can see that work experience has P-Value of 0,001 and original sample of 0.165, that is > 0.05 for P-Value, mean that is has positive significance impact between independent and dependent variable.. H3 is accepted.

3.5. Self Efficacy as Moderating between Transformational Leadership and Performance

The hypothesis 4 is self efficacy has moderating effect between transformational leadership and performance. But, in this research showed that self efficacy has not effect of moderating between transformational leadership and performance of employee. It can see in the table of result show that P-Value of 0.06, it > 0.05. Thus, H4 is not accepted.

3.6. Self Efficacy as Moderating between Work Experience and Performance

The hypothesis 5 is not approve, because from the data of the table result study showed that self efficacy has not effect of moderating between work experience and performance. It can see on

the table that has P-Values > 0.05 , that is 0.111. Hence, H5 is not accepted.

3.7. Self Efficacy as Moderating between Compensation and Performance

The last, hypothesis 6, it mean that self efficacy has moderating effect between compensation and performance. It can see from the table above, P-Values < 0.05 , that is 0.009, but this is have negative moderating effect. That is can see from the table the value of original sample is -0.133.

4. CONCLUSIONS

The result of this research conclude that transformational leadership, compensation and work performance has significant impact on employee performance. Then self efficacy has not effect of moderating on transformational leadership and performance, work experience and performance, but has negative moderating effect on compensation and performance.

Transformational leadership has positive and significance effect on employee performance at UNP. That it supported by the research from Sriruechaa and Buajan (2017), Haqq et al (2016), Johannes et al (2019), Victor et al (2012), Wahaba et al (2016) and Wecker and Kolbe (2014), they stated that when the leader be good inspiration motivation, high idealized influence–charisma, high consideration of staff and high intellectual stimulation, it can increase performance of employee.

Compensation has positive and significance effect on employee performance at UNP. This supported by several result of some research before. Margaret et al (2016) and Davis et al (2013) proved that compensation also has a positive effect on employee performance. When employees has given benefits, rewards and bonuses by organization, it will improve employee performance because they feel valued when doing a job. Assuming that the better the compensation which given by UNP and received by employees of the employee's performance will be better or increased.

Work experience has positive and significance effect on employee performance at UNP. It can be seen that the experience of each worker determine the work performance they will achieve later. That is same with Cho et all (2018) and Li et all (2018) in their research showed that the impact of work experience on performance has positive. It can be seen that previous experience will greatly good affect in working for an employee.

Self efficacy has no moderating effect between transformational leadership and performance, work experience and performance, but has moderating effect between compensation and performance. The moderating effect it supported by research from Huong et al (2017) and Ardi et al (2017) explained that in their research results, self-efficacy affected performance. But, in this study, self efficacy has negative moderating effect between compensation and performance of employee at Universitas Negeri Padang. When employee has high self efficacy it can make low relationship between compensation and performance. It mean that, how amount of compensation was got by employee it can not increase their performance, when employee has high self actualization. Maslow explained that in the hierarchy of human need, in the top of the pyramid is self actualization (Robbins. Et all 2018). In self actualization, employee need to get self-satisfaction which includes the fulfillment of morality, creativity, spontaneity, problem solving, and acceptance of the reality that occurs. At the stage of self-actualization, a person will be more focused on pushing himself to achieve the highest achievements, it not only to get an award, but maximize efforts to more beneficial for them self and others.

Furthermore, this research also has some limitations, the sample wan not large size, hence, for the main study, we suggest to use a larger sample size. This study has only been conducted in one university and for future study, it can be extended to some universities in Indonesia to get more generalize results. Practically, this research will be a reference for UNP leaders in an effort to increase the performance of employee UNP . Based on the results of this study, leaders can later

formulate programs to increase employee loyalty, such as training/workshop related to the task, incentive based on performance, and so on. Furthermore, academically, this research is expected to later become a reference for researchers to improve understanding of performance and the factors that influence it. The results of research conducted at Universitas Negeri Padang may be different if done in other places, so that it is possible for future research to be continued for the next research and see the comparison and get new conclusions.

ACKNOWLEDGMENTS

The authors would like to express their sincere gratitude to all those involved in the completion of the research.

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