The Effect Of Servant Leadership And Reward System On Locus Of Control, Job Satisfaction And Performance (A Study On The Foundation’s Lecturers At University Of East Indonesia, Makassar)

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Abstract: Examine the effect of servant leadership and reward system on Locus of Control, job satisfaction, and performance of foundation's lecturers in East Indonesia University. This research was a survey research. The independent variables were servant leadership and reward system while the dependent variables were Locus of Control, job satisfaction, and performance of employees. The population of this research was 218 lecturers of East Indonesia Foundation, and the sample of this research was 116 lecturers. In this research, the variables of servant leadership, reward system, and Locus of Control were correlated with a reflexive indicator model. Meanwhile, the variable with formative indicator model was job satisfaction. By combining the variables with reflection and formative indicator models, Generalized Structured Component Analysis (GSCA) was considered more suitable to be used for the data analysis instruments. The foundation's lecturers completing master studies (S2) in University of East Indonesia are paid or rewarded with 50% cash and 50% shopping voucher. The reward system applied by East Indonesia Foundation is based on the consideration that the lecturers completed their master studies with the help or scholarship provided by the foundation. In other words, the lecturers run their master studies without paying any tuition until they graduate. However, the foundation’s lecturers completing their master studies in other university are paid 100% cash of salary. No one has examined the reward system applied by East Indonesia Foundation (including East Indonesia University), that is 50% cash and 50% shopping voucher.

Index Terms: Servant Leadership, Reward System, Locus Control, Job Satisfaction, Performance

1. INTRODUCTION

Successful high education institutions such as state universities in Indonesia and any universities in developed countries cannot be separated from the good management by the Rectors and employees. Likewise, victorious private universities certainly do not apart from the good management by the Rectors serving as the university highest leader. Rector as a leader definitely has a good vision and mission that can be adapted to the current development. To realize the vision and mission, a university's rector along with all the deans of the faculties, lecturers and employees should work together to manage all well so as to advance the university, produce qualified graduates, and generate competitive alumni in the job market. In this case, support from foundation chairmen in terms of the completion of facilities and infrastructure is really needed to develop the related universities so as to be equal with other qualified universities. Related to this matter, a Rector (leader) is highly required to develop lecturers both from Private Universities Coordination (Koperti) and Foundations by providing opportunities to continue their studies up to the highest level of a doctorate (S3). That is, lecturers are required to possess a doctorate (Dr.). With the doctoral education background, they can unquestionably transfer more knowledge so that their students have extensive insight. Moreover, a Rector should also provide lecturers with opportunities to attend workshops or training such as character education or others related to learning quality. With such opportunities, lecturers can have more competence in arranging Course Outline(SAP) and applying more appropriate learning techniques, automatically influencing the quality of education. Improvement of the quality of education cannot be separated from the competence of lecturers. Lecturers with a good competence and broad insight can transfer knowledge more effectively to students and improve the output quality of universities. If the outputs/ graduates of a university are qualified, they can easily compete in the job market. Therefore, both state and private university lecturers need to equip themselves with high competence in their respective fields to improve the quality of education as well as produce qualified scholars. It cannot be denied that the world competition becomes increasingly tight today in which scholars are highly demanded to be capable in their respective fields. Regarding this matter, teaching performance of lecturers is required to be improved. The performance of lecturers includes Tri Dharma (Three Pillars) of Higher Education namely teaching, conducting research, and doing community services. In this case, lecturers are also required to implement these three pillars. However, in reality, some lecturers are only focused on teaching while the other two (conducting research and doing community services) are often neglected. In fact, if lecturers often conduct research, they will also get lots of positive things both for themselves and science development. The lecturer activeness in conducting research, doing community service and writing journals (especially international journals) will make them easier in their own promotion management. Besides, through research, they can also develop science and technology. Furthermore, doing community services is also important. Community services can be in the form of providing counseling to the community according to the field of knowledge of each lecturer. However, teaching performance is not less important as it reflects the extent to which knowledge can be transferred by lecturers to students. The teaching performance of lecturers is related to the performance of administrative employees or staff, both at the University, Faculty and Study Program levels. The services provided by the administrative employees to students include from the stage of new student registration, re-registration, up to the stage of semester final exams, thesis exams and so on.
Employees who provide services to students should synergize with the teaching lecturers so that the provision of services to students can run well. The performance of employees can also be affected by their motivation and ability. This is in line with the theory of performance by Robbins (2003) stating that employee performance as a function of the interaction between ability and motivation: \( kk = f (A \times M) \). If there are inadequacies such as the unsupporting ability of employees, the performance of employees will be affected negatively. Therefore, opportunities to perform are greatly required to increase the function of employee performance.\( \text{(kk} = f (AxMxO) \). Similarly, the performance of lecturers must be qualified so as to improve the quality of education. In this case, Rectors as the highest leader in universities play an important role in higher educational institutions to motivate subordinates including lecturers and employees. The motivation given by rectors potentially enhances the quality of education and produces qualified outputs/graduates who are acceptable in the job market. In other words, the advancement of higher educational institutions is determined by the managers, referring to Rectors as the highest leader in universities. From the word ‘leader’, the term ‘leadership’ derives. Although ‘leadership’ and ‘leader’ are different in meaning, these two words are inseparable both functionally and structurally. Leadership is one’s ability to influence and motivate others to do something for a common purpose. Meanwhile, a leader is a person who carries out the leadership itself. Leadership is also defined as a way of management to influence, coordinate and direct the activities of others in order to achieve group goals or organizational goals (Stoner and Wankel 1995). Besides, leadership is a process of causal attribution to individuals and social behaviors, so it relates to employee performance. Therefore, effective leaders can be seen or trained to create situations supporting better leadership that can affect the organization effectiveness (Pfeffer 1997). This is consistent with Robbins (2003) stating that leadership is the ability to influence a group to achieve a vision or a set of goals that have been determined. The success of a leader in an educational institution is not a guarantee of its success in leading other educational institutions. It depends on the role and behavior of the leader (Rector) who manages the university to be more qualified. Leadership is an important part of all organizational or corporate levels. Leadership began to be applied in organizations since the existence of the industrial revolution in England. Since then, industries have grown in the UK and around the world. Leadership has various styles. Leadership style is a set of characteristics used by leaders to influence subordinates in achieving organizational goals (Rivai 2005). Some styles of leadership applied by organizational leaders include autocratic, militaristic, democratic, charismatic and situational leadership styles and so forth. Autocratic leadership tends to not value the dignity of subordinates while military leadership demands high discipline from subordinates. On the other side, democratic leadership prioritizes cooperation to achieve goals, and charismatic leadership has many followers. Differently, in situational leadership, the leader success depends on the situation in which the leader works. In applying a particular leadership style, an effective leader must first understand who subordinates he leads and how to use the strength of subordinates to compensate for the weaknesses they have so that both the leader and subordinates can mutually support in the organization. Along with the development of science and technology, organizations become even more complex. In this regard, transformational and transactional leadership formulated by Burn (1978) were subsequently perfected by Bass (1985). Transactional leadership which was initially applied in political organizations has also been applied to business organizations (Fernandes, A.A.R and Solimun 2017). Transactional leadership motivates subordinates by way of exchanging rewards with certain performance. That is, in a transaction, the subordinates are promised to be rewarded if they are able to complete the task according to the agreement that has been made together. A transactional leader introduces what his subordinates want from the job and tries to think about what the subordinates will gain if they work in accordance with the transaction (Burns 1987; Bass 1985). Such a leader promises rewards for the efforts made by his subordinates and responds to the personal interests of the subordinates when he is satisfied with their performance. On another side, transformational leadership is a change-oriented leadership that is able to change the perceived work environment, work motivation, and work values of subordinates to improve their performance. That is, transformational leadership is a leadership that can break down the status quo within organizations. Then, servant leadership began to exist and develop. The theory of servant leadership is the development of the transformational leadership theory. However, both leadership styles have differences. Transformational leadership inspires employees to work harder for improving performance within organizations while servant leadership provides sincere attitudes in fostering employees to arrange work plans so as to increase job satisfaction and performance of employees (Hutahayan 2019). Servant leadership has positive impacts on the life of the led individual (Greenleaf 1970). With servant leadership, employees are pleased with the humble leader’s behavior in fostering them automatically affecting their job satisfaction and performance. This is supported by Liden and Panaccio (2014: 370) explaining that servant leadership behaviors can positively affect self-satisfaction and self-efficacy. What is interesting about servant leadership is that the leader enjoys criticism from his subordinates. As we know, not all leaders can accept criticism from subordinates, except those with servant leadership. Servant leadership can positively contribute to employees by increasing employees’ happiness and empowering them so that they feel confident and satisfied with the leader. The main element of servant leadership grows from appropriate leadership values (Russell 2001) that affect job satisfaction. This is in line with Herbst (2003), Lambert (2004), Chu (2008), Johnson (2008), Svoboda (2008), Cerit (2009) and Cerit (2010) stating that servant leadership is related to intrinsic motivation, organizational commitment, and job satisfaction. That is, servant leadership is associated with job satisfaction through leadership effectiveness. Likewise, Robert Giambattista Scranton et al. (2016) found that servant leadership can predict good self-evaluation and job satisfaction. The leaders of servant leadership with sincere attitudes arrange work plans and establish work team to finish jobs, resulting in optimal employee performance. Besides, servant leaders are humble to accept criticism from subordinates and always help their subordinates (employees) complete organizational tasks. Such a leadership affects the performance of employees in organizations. Servant leadership behaviors deserve to be a role model for employees. In addition, such leaders have a big concern on serving customers and pioneer activities that can impact the
economic independence of surrounding communities. Moreover, leaders with servant leadership often provide economic cooperation opportunities to surrounding communities. They also often become role models for employees. They are very visionary in advancing their companies/ institutions. Servant leadership generates a lot of positive outcomes, including job satisfaction and work productivity of employees (Liden, Wayne, Zhao and Henderson 2008). Similarly, Harwicki (2013) also found that servant leadership has a positive correlation with individual performance. It can be concluded that good employee performance is inseparable from the leader's humble behavior in developing employees and preparing work plans so that employees feel satisfied and noticed by the leader. With such a leadership, subordinates (employees) will also be motivated to work better and improve their performance. Similarly, good lecturer performance cannot be separated from the leader behavior of providing lecturers with opportunities to continue their formal studies to a higher level so that they have adequate competence in implementing Tri Dharma of Higher Education. Leadership relates to rewards when the company is privately owned. Rewards or remuneration that is in accordance with employee workloads and competence can make employees feel so glad and encouraged to always do good deeds for the company repeatedly. Likewise, if lecturers get rewards that match their workloads at the Faculty and University, they will feel so happy and satisfied. With these feelings, they will devote sincerely their energy and thought to implement Tri Dharma of Higher Education so as to improve the quality of education. In contrast, if lecturers feel disappointed with the rewards, they will carelessly teach students or, in other words, their teaching will be less qualified. Therefore, Foundation Chairmen and Rectors must pay attention to the welfare of lecturers so that lecturers are motivated to teach and guide students more effectively, as well as carry out research and community services. Rewards aim to make lecturers and employees more satisfied and encouraged to diligently improve their performance and achievement better than what they have made before. In addition, rewards can stimulate lecturers and employees to more care about their works. It indicates that rewards also influence job satisfaction and performance of lecturers and employees. Therefore, a corporate leader (Top Manager) must provide rewards that match employee workloads and responsibilities in the company. Similarly, in higher educational institutions, foundation chairmen and rectors of universities must provide rewards that are in accordance with the workloads and competence of lecturers and employees so as to improve their work motivation and care about the implementation of Tri Dharma of Higher Education. Rewards given to lecturers must be above Regional Minimum Wage standards. This is because Regional Minimum Wage standards are intended for company workers, while we know that most lecturers have higher education background than company workers. Based on the reward indicators, it is indicated that the levels of rewards given by an institution have an effect on job satisfaction and performance of lecturers and employees (Indarti et al. 2017). Rewards can influence lecturer's job satisfaction and performance in implementing Tri Dharma of Higher Education. Rewards or wages are very strategic to maintain the best human resources (Yokohama 2007). That is, employees who receive wages/ rewards that are in accordance with their workloads in the company will be reluctant to leave the company and do not even think to move to another company. Likewise, if lecturers feel that their devotion is higher than the rewards they receive, they will consider looking for other colleges that can provide them with better rewards. A good reward system refers to providing rewards that are in accordance with Regional Minimum Wage (UMR) or Provincial Minimum Wage (UMP) standards with on-time monthly payment. Large companies with good management must provide workers with rewards that match their workloads and Regional Minimum Wage standards. Meanwhile, higher educational institutions must provide lecturers with higher rewards than Regional Minimum Wage standards due to the different educational factor. Rewards are a form of appreciation aimed to more motivate lecturers and employees. Dewhurst et al. (2010) defined rewards as financial and non-financial benefits given to lecturers and employees for generating good performance in the workplace or for completing tasks as determined in the organizational policies. A good reward system is very important for an organization (Maund 2001). Rewards (remuneration) for employees has been applied for decades as a way to improve employee performance within organizations. Rewards for employees is greatly expected to improve employee performance. A better employee performance will also advance the organization to compete with other competitors. If employees feel that the benefits received do not match their workloads in the workplace, they will continuously seek additional income outside the company to meet the needs of theirs and their families. In linear, private universities should also provide lecturers with rewards in accordance with their education level and workloads of teaching so that lecturers are more motivated to conduct Tri Dharma of Higher Education. Moreover, by rewards (remuneration), qualified lecturers can also be maintained to engage in the teaching and learning processes within universities. Currently, the government really concerns on the welfare of lecturers by providing allowances of certification to lecturers in the hope that they can be more motivated to implement Tri Dharma of Higher Education and improve the quality of education in Indonesia (Limba et al. 2019). However, there are still many foundation's lecturers who have not been certificated. Universities who want to improve their accreditation should have some lecturers with a doctorate (Dr.) and high positions such as lector and professor. Therefore, high educational institutions must maintain their qualified (high-educated) lecturers by giving their rights so that they do not think to move to other institutions. The rights include providing appropriate rewards for both Koperties and foundation's lecturers who have excessive or additional teaching time or rewards for those who are willing to participate in examining undergraduate (S1) and postgraduate (S2) students. Rewards should be consistent and indiscriminate so that it is beneficial for lecturers and employees. The purpose of rewards is to provide positive consequences for contributions to desired performance (Wilson 2003). Employees who get rewards that match their workloads and skills are more motivated to work better. As a result, they feel reluctant to leave the company or move to other companies. Not differently, rewards given to lecturers based on the lecturer's education levels and teaching loads can also increase their organizational commitment, job satisfaction, and performance. In Indonesia, the reward system for corporate employees is based on Regional Minimum Wage (UMR) standards set by the government. The
minimum wage policy is a wage system that has been widely applied in some countries, basically seen from two sides. Firstly, minimum wage standards are a protection tool for workers to stabilize the rate of wages received so that their daily needs can still be met. Secondly, the minimum wage standard is a protection tool for companies to maintain worker productivity. Based on Regional Minimum Wage standards determined by the government, each provincial government across Indonesia defines a different Provincial Minimum Wage standard (UMP). Regarding this fact, the Regional Government of South Sulawesi Province also set its Provincial Minimum Wage (UMP) standard in 2017 which amounted to IDR 2,430,000. This amount has increased by 8.71% to IDR 2,647,000 in 2018. Hence, corporate leaders or owners must provide rewards or wages that are in accordance with the Provincial Minimum Wage (UMP) standard although the companies are privately owned. However, despite the determination of Provincial Minimum Wage (UMP) standards, there are still companies providing their employees or workers with rewards under the Provincial Minimum Wage (UMP) standards. Consequently, the employees are not satisfied with their jobs, and those who are relatively still young eventually decide to move to another company that has a better reward system. In Indonesia, good reward systems are applied in State-Owned Enterprises (SOEs), Multi-National Companies (MNCs), foreign companies, and banks. The reward system used in State-Owned Enterprises (SOEs) is based on education, workload, and skill. Employees working in State-Owned Enterprises (SOEs) get rewards consisting of basic salary, functional structural allowances and bonuses, both sales bonus and year-end bonus. Similarly, Multi-National Companies (MNCs) also provide rewards in the form of salaries, functional structural allowances, and Religious Holiday Allowance (THR). Meanwhile, foreign companies in Indonesia, such as PT. Freeport located in Papua, give rewards above the Regional Minimum Wage (UMR) standard. The higher rewards are based on the money value of the related country. Additionally, foreign companies also provide year-end bonuses and Religious Holiday Allowance (THR). As for employees with certain functions, foreign companies also provide structural allowances plus Religious Holiday Allowance (THR). Similarly, bankers receive year-end bonuses and Religious Holiday Allowance (THR). Year-end bonuses derive from profits earned by companies, and those bonuses should be shared and felt by employees. Employees who receive large sales bonuses may want to get more in the next year, so they struggle harder to increase their sales. It means that rewards in the form of bonuses can affect sales performance. In this case, companies usually set employee sales targets to motivate their employees in achieving the targets. If the employees reach the targets that have been determined by the company, they will be entitled to receive rewards in the form of bonuses. Such a way can encourage them to give better performance. R.N. Mainal et al.’s (2013) study found that cash bonus rewards positively influence the performance of employees. Furthermore, providing rewards based on workloads and Provincial Minimum Wage (UMP) standards can motivate employees to work harder. Meanwhile, year-end bonuses are usually received at the beginning of the current year. The amount of year-end bonuses often depends on the profit earned by companies. If a company earns a large profit, the employees will receive a fairly large year-end bonus. Vice versa, if the company gets a small profit, the employees also will receive a minimal year-end bonus. Giving such bonuses can encourage employees to be more active in improving their performance. A small sales bonus received by employees reflects their minimal sales performance, and such a condition will likely encourage them to improve their performance in the next year so that they will get a larger amount of bonus (Finkle 2011). As an example, a foreign company (PT. INCO) in Soroako Malili provides rewards in the form of salary above the Provincial Minimum Wage standard as it is based on the country's money value. On religious holidays, the needs of employees and their families increase so that the government of the Republic of Indonesia through the Minister of Manpower issued a policy No. 6 of 2016 on Religious Holiday Allowance (THR) for Employees/Workers in Companies. In the policy, companies are obliged to provide Religious Holiday Allowance (THR) to employees and workers. The amount of Religious Holiday Allowance (THR) depends on the policy of each company. There are companies providing THR equal to the amount of one-month salary, two-month salary, or even three-month salary such as banks, both public and private banks. The government of the Republic of Indonesia also allocates funds to provide Religious Holiday Allowance for Civil Servants (PNS), police and armed forces to meet their increasing needs. In line with this, in addition to receiving monthly salary and certification salary (for those who have been certified), both Kopertis and foundation’s lecturers also get an honorarium for the excessive hours of teaching and examining undergraduate or postgraduate students in their thesis exams. Such honorariums are determined by the respective faculties. Rewards are one of the factors influencing Locus of Control and job satisfaction. Locus of Control is a field that can differentiate work motivation between individuals. In this case, Locus of Control is divided into two types, namely internal Locus of Control and external locus of control. Individuals with internal LOC tends to only examine favored people or colleagues, more prioritize skills rather than luck, more emphasize academic achievement and direct the energy to each task. Moreover, employees falling into the category of internal Locus of Control tend to work more diligently so they less often absent due to illness. They feel familiar with the work environment, tend to always engage in jobs, and believe that health can arise from their behaviors. However, some individuals believe that the success that they have or will achieve depends on their efforts and hard works. On another side, there are also some factors influencing from the outside of the work environment, providing an assumption that a success actually comes from outside (external) factors or influence. The outside factors or influence is related to fate, called external Locus of Control. Individuals with external LOC tend to easily surrender and move to other tasks. Rewards for lecturers can also increase their locus of control, job satisfaction, and performance. As explained above, if lecturers are satisfied with the rewards given by universities, they will be motivated to implement Tri Dharma of Higher Education. Thus, it can be concluded that rewards can automatically improve the quality of education, develop science as well as affect Locus of Control. Locus of Control (LOC) is related to job satisfaction. Chiu et al.’s (2005) found that Locus of Control has an effect on turnover intentions, organizational commitment, and job satisfaction. Job satisfaction includes both cognitive and evaluative reactions/attitudes. Job satisfaction is the satisfaction of life. Therefore, the matter of job satisfaction needs to get the attention of every
organizational leader. Organizational leaders must be able to create job satisfaction for employees in order to retain qualified employees. Similarly, higher educational institutions should provide job satisfaction to lecturers and employees that positively affect lecturer and employee performance. In Indonesia, increased job satisfaction in companies where employees work may only be accomplished significantly if the influencing factors can be identified. Such factors can be identified qualitatively and quantitatively by emphasizing intervention on factors with a larger weight. The matter of job satisfaction in working is something that every employee wants to achieve. Similarly, every lecturer certainly wants to achieve high job satisfaction both in terms of payment and promotion. Job satisfaction is an interesting and important issue to examine and study as it provides many great benefits to employees as an individual, organizations, and communities. For individuals, research on the causes and sources of job satisfaction allows for efforts towards life happiness. For organizations, research on job satisfaction is an effort to increase production and emphasis costs through employee's attitude and behavior improvement. The two-factor motivational theory explains that there are intrinsic factors that lead to job satisfaction and extrinsic factors that lead to job dissatisfaction (Herzberg et al. 2013). Intrinsic factors come from within employees. Intrinsic factors are brought by an employee since he first works at his workplace. Besides, such factors can affect people's minds and direct their attitudes and behaviors. On another side, extrinsic factors come from the outside (external factors) of employees, including salary, working conditions, organizational policies, and work relationships such as rewards or appreciation, promotion of structural position or function, payroll system and so on. Extrinsic factors are mostly controlled by organizational leaders. Employees are often found to be not satisfied with their jobs just because of the less appropriate approach made by the leader of the organization. In general, phenomena arising from low job satisfaction occur in organizations with relatively less effective conditions. Organizational leaders must try to eliminate the factors that potentially lead to job dissatisfaction, and bring the peace of work (Luthans 2001; Robbins 2003). When observed, one of the most convincing symptoms of lacking organizational stability is low job satisfaction, work strikes, employee absenteeism, and high levels of employee resignation. These symptoms may be part of employee complaints. Well-managed organizations are the result of effective behavior management that provides job satisfaction for employees and automatically affect employee performance. This is supported by Kim et al. (2010) and Endang et al. (2013) finding that job satisfaction has a significant effect on employee performance. Differently, Ivancevich (1999) identified that employee performance significantly influences job satisfaction. Based on the results of several studies above, it can be concluded that job satisfaction and employee performance affect each other. The higher the employee's job satisfaction is, the better the performance will be. Employee performance is a record of work results produced by employees, covering employee functions, activities or behaviors until a certain period of time. Employee performance includes work results both in terms of quality and quantity. Quality is related to what extent employee's work results can meet the quality standard and quantity is related to what extent employee's work results can meet the quantity standard. Therefore, job satisfaction needs to get attention from the organizational/ corporate leader. However, in reality, there are still many companies that do not pay attention to the matter of job satisfaction by providing minimal rewards or salaries below Provincial Minimum Wage standards. As a consequence, job satisfaction and performance of their employees also get decreased. Similarly, high job satisfaction felt by lecturers will also encourage them to improve their performance of teaching, conducting research, and doing community services according to their respective field of knowledge. Thus, rectors in higher education institutions must manage well the organizations they lead so that they can create job satisfaction for lecturers and employees as well as improve the performance of both lecturers and employees. The performance of lecturers includes the three pillars of higher education namely teaching, conducting research and doing community services. In this case, the low performance of foundation's lecturers is related to the low job satisfaction. Higher job satisfaction of lecturers will lead to better and more qualified methods of knowledge transfer by lecturers. When lecturers transfer their knowledge in better and more qualified ways, universities can generate more qualified scholars as well. However, it turns out that there are still some higher education institutions that do not pay attention to job satisfaction of lecturers and employees, one of which is University of East Indonesia in Makassar under the management of East Indonesia Foundation. Lecturers in East Indonesia University experience low job satisfaction because they are paid below the Provincial Minimum Wage (UMP) standard. In addition, the reward system applied by the foundation of East Indonesia to the lecturers and employees is 50% cash and 50% shopping voucher. The shopping voucher can only be redeemed at East Indonesia supermarket and does not apply in other supermarkets. Such a reward system exists only in the foundation of East Indonesia, Makassar. Such a reward system becomes a novelty of this research. Lecturers who feel dissatisfied with the reward system tend to be less disciplined or often come late to teach in the class. In addition, they are often absent from their teaching classes in which they only attend 8 up to a maximum of 10 meetings of 14 meetings that they actually should make. Some even come only a few times of meetings but they manipulate it by signing the list of attendance up to 12 meetings as if they truly attend their teaching classes although the reality they do not. East Indonesia Foundation manages several business units such as vocational high school, university, hospital, supermarket, hotel, and retail companies. The reward system in all the business units of East Indonesia Foundation is the same, that is 50% cash and 50% shopping voucher. With such a reward system, many lecturers and employees of the foundation are complaining. In addition to their minimal salaries, the reward system of 50% shopping voucher makes the lecturers of the foundation lazy to teach, particularly those who have not received certification allowance as they do not have any other source of income. Such laziness is caused by the lecturers' job satisfaction with the reward system. Talking about the quality of education, the quality of East Indonesia University can be said still far from the expectation because the lecturers lazily run their responsibility to teach. How can education be said qualified if the lecturers teach less than fourteen meetings? To improve the quality of education, lecturers must diligently teach their students with quality materials. In addition, lecturers must arrange Course Outline (SAP) adapted to the School Development Plan (RPS). However, it turns out that
some lecturers of East Indonesia Foundation do not teach without Course Outline because they are not satisfied with the reward system applied by the foundation. As a result, the teaching materials are less qualified because the lecturers teach carelessly without using Course Outline (SAP). In early 2018, East Indonesia Foundation issued a policy regulating that the reward system for the lecturers is no longer per month but per semester like the honorarium payment of extraordinary lecturers. This policy has worsened the condition of the lecturers, especially those who have not been certified because they do not have any other source of income. Even, some of the lecturers decided to resign and move to other universities due to the reward system. Likewise, Kopertis lecturers with a doctorate (Dr.) and professors of East Indonesia Foundation finally moved to other universities because their postgraduate teaching honorarium for five semesters has not been paid. They feel that their knowledge is not respected by the foundation. Besides teaching, the next duty of lecturers is to conduct research. It is a must for every lecturer because science and technology continue to grow. Moreover, research can lead lecturers to higher position or promotion. However, conducting research requires not small cost while the salary or reward got by the foundation's lecturers in University of East Indonesia is below the Provincial Minimum Wage standard and even often experiences postponement. How the foundation's lecturers can conduct research if their primary needs are not met and there is no any fund provided by East Indonesia Foundation to lecturers for the purpose of research and community service implementation. Fortunately, the government is currently allocating considerable research grants so that lecturers can compete to achieve the research grants by making research proposal to be submitted to KESIMLIBAMAS of the Directorate of Higher Education. Related to this, in 2018, there are some lecturers who successfully get the research grants, covering beginner lecturer’s research grants and dissertation research grants. Lecturers who get the research grants from SIMLITABMAS certainly feel glad about the government support. Considering the lecturer’s worse condition emerging since East Indonesia Foundation issued the policy of per-semester reward system, as explained above, the researcher was interested and challenged to examine the effect of servant leadership and reward system on Locus of Control, job satisfaction, and performance of foundation’s lecturers in East Indonesia University. The reason underlying the implementation of this research was to determine whether servant leadership can improve job satisfaction and performance of lecturers. Moreover, so far, no one has examined the reward system applied by East Indonesia Foundation (including East Indonesia University), that is 50% cash and 50% shopping voucher.

2 LITERATURE REVIEW

Servant leadership is neither a new thing nor new idea. It has existed far before the birth of Christianity, which is since the presence of philosophers such as Plato, Sophocles, and Cicero. In addition, the presence of historians, poet-makers, and playwrights concerning with values, ideas and truths also signified the emergence of servant leadership values. Servant leadership tends to emphasize vision, integrity, honesty, trust, service, modeling, pioneering, appreciation to others, and empowerment (Russel & Stone 2002). Servant leadership is value-based leadership, which has a strong relationship with job satisfaction, performance, job motivation and positive work behavior. Additionally, servant leadership refers to servant leaders who provide trust to their followers and create a close personal relationship with the followers (Sen & Pekerti 2010). The concept of Servant Leadership is based on humility and respect for others. Servant leadership has five dimensions, namely character orientation, community orientation, task orientation, and process orientation (Greenleaf 1970; Covey 1994; Senge 1997; Blanchard 2006). Character-oriented leaders have humble and sincere attitudes in developing employees. They always help their employees to accomplish organizational tasks. Meanwhile, community-oriented leaders greatly concern on serving customers, often pioneer the activities that have an impact on the economic independence of the surrounding community, and provide economic cooperation opportunities to the surrounding community. Differently, task-oriented leaders are very visionary in advancing their institutions, arranging work plans and goals be achieved. On another side, process-oriented leaders often become a role model for employees. They establish solid work teams and provide opportunities for employees to participate in decision-making. Moreover, process-oriented leaders also arrange the regulation of reward provision for their employees. Reward means gift, appreciation, or retribution. In the concept of management, rewards are one of the tools to increase employee motivation. Regarding the wage system in companies, the government of Indonesia through the Minister of Manpower issued a regulation No.05/Men/1989 on May 29, 1989, on Minimum Wage Standards. The stipulated minimum wage standards are based on the physical need for decent living which is food. According to Article 1 Paragraph 1 of the Regulation of the Minister of Manpower No.1/1999, a minimum wage is defined as the lowest monthly wage covering basic salary and allowance. The minimum wage determination enables workforces to enhance their nutrients or life welfare so as to improve their work concentration and awareness in the long term. In addition, in the Government Regulation No. 78 of 2015 concerning remuneration, Article 1 defines that wage/salary is the right of employees or workers asserted in the form of money as the rewards given by employers/bosses to employees/ workers. The rewards are determined and paid according to the employment agreement or statutory regulation, including the allowance (benefit) for employees/workers along with their families on the job or service that has been done. Besides, the Regulation of the Minister of Manpower of the Republic of Indonesia No.1 on the structure and scale of wages stipulates that: (1) Wage structure is the order of remuneration levels from the lowest to the highest or vice versa; (2) Basic wage as referred to in Paragraph 1 shall be the basic remuneration paid to employees or workers according to job levels or types, of which the amount is stipulated in employment agreement. From both the Government Regulation No. 78 of 2015 on remuneration and the Regulation of the Ministry of Manpower No. 1 on the structure and scale of wages, local governments set a different Provincial Minimum Wage standard of each region depending on the regional economic level. In addition, to meet the needs of employees on the religious holiday, the Government through the Minister of Manpower also issued a regulation No.6 of 2016 on Religious Holiday Allowance for Employees/Workers in Companies. According to the regulation, companies are obliged to provide employees/ workers with Religious Holiday Allowance as rewards for the services, thoughts, and energy
they have devoted to the company. Rewards that is in accordance with employee's workloads and skills can affect Locus of Control and job satisfaction. Locus of Control (LOC) is a personality attribute associated with the workplace. Fumham (1998) interpreted Locus of Control as a consistent commitment that appears from an individual to achieve organizational goals. Moreover, Locus of Control is defined as an individual self-belief about the success of his activities (Robbins, 2003: 96). Locus of Control (LOC) can be divided into four dimensions, covering: (1) control of the health environment, (2) self-control, (3) ability to influence others, and (4) work motivation. Related to the dimension of control of the health environment, internal LOC has a tendency to control. As for the self-control dimension, internal LOC tends to enjoy high moral development and more able to accept failure than external LOC. This is because external LOC has a tendency to accept factors beyond one's control that can also lead to failure. Meanwhile, regarding the ability to influence others, internal LOC is more persuasive, more adaptable, better in influencing others’ attitudes, and more participative fully to take action in making changes than external LOC. On another side, in terms of work motivation, employees with a high work motivation tend to work more diligently and are rarely absent for rational reasons. Furthermore, Locus of Control is also related to job satisfaction. According to Chiu et al. (2005), Locus of Control (LOC) has an effect on turnover intentions, organizational commitment, and job satisfaction. Job satisfaction is a common attitude of every individual on his job (Robbins 2003). This shows that job satisfaction relates to an employee's attitude toward his job. Job satisfaction is a happy or positive emotional state derived from a person's job assessment or work experience (Locke 1997; Luthams 2001). Everyone has a different level of satisfaction in accordance with the value system applied to him/her. This state is individual. The more work aspects are considered matching one’s desire, the higher the job satisfaction he will feel (As’ad 1998). Job satisfaction is measured by five indicators, covering satisfaction with the job itself, satisfaction with payment, satisfaction with promotion, satisfaction with supervisor, and satisfaction with co-workers (Smith 1969). Job satisfaction is closely related to employee performance. Employee performance is the result of work both in terms of quality and quantity achieved by an employee on his duty according to the responsibility given to him based on his skills, experience, seriousness, and time (Mangkunegara 2005). Quality is related to what extent employee’s work results can meet the quality standard and quantity is related to what extent employee’s work results can meet the quantity standard. Employee performance describes the achievement level of the implementation of a program or policy in realizing organizational goals/ vision and mission stated through organizational strategic planning (Muheriono 2012). Employee performance is the amount of the results of both physical and non-physical works. Furthermore, Bernadin and Russel (1993) explained that employee performance is the result of work that can be measured both qualitatively and quantitatively. If a company wants a qualified employee performance, the company leader must create job satisfaction by giving rewards that are in accordance with the employee competence and the Provincial Minimum Wage standard to increase the employee’s work motivation. When employees are more motivated to work, their performance in the organization will also get improved.

3 RESEARCH METHODS
This research was a survey research. There were five variables used in this research, covering two independent variables and three dependent variables. The independent variables were servant leadership and reward system while the dependent variables were Locus of Control, job satisfaction, and performance of employees. The population of this research was 218 lecturers of East Indonesia Foundation, and the sample of this research was 116 lecturers. In this research, the variables of servant leadership, reward system, and Locus of Control were correlated with a reflexive indicator model. Meanwhile, the variable with formative indicator model was job satisfaction.

4 RESEARCH RESULTS
By combining the variables with reflection and formative indicator models, Generalized Structured Component Analysis (GSCA) was considered more suitable to be used for the data analysis instruments. The further hypothesis test results are explained as follows:

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path Coefficients</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimate</td>
<td>SE</td>
</tr>
<tr>
<td>H1</td>
<td>Servant Leadership-&gt;Locus of Control</td>
<td>0.582</td>
</tr>
<tr>
<td>H2</td>
<td>Servant Leadership-&gt;Job Satisfaction</td>
<td>0.106</td>
</tr>
<tr>
<td>H3</td>
<td>Servant Leadership-&gt;Employee Performance</td>
<td>0.156</td>
</tr>
<tr>
<td>H4</td>
<td>Reward System-&gt;Locus of Control</td>
<td>0.441</td>
</tr>
<tr>
<td>H5</td>
<td>Reward System-&gt;Job Satisfaction</td>
<td>0.038</td>
</tr>
<tr>
<td>H6</td>
<td>Reward System-&gt;Employee Performance</td>
<td>0.217</td>
</tr>
<tr>
<td>H7</td>
<td>Locus of Control-&gt;Employee Performance</td>
<td>0.438</td>
</tr>
<tr>
<td>H8</td>
<td>Job Satisfaction-&gt;Employee Performance</td>
<td>0.080</td>
</tr>
</tbody>
</table>
CR\* = significant at 0.05 level

1) Servant leadership variable had a significant effect on Locus of Control, indicated by the significant critical value obtained at the 95% confidence level. This indicates that servant leadership can help the lecturers of East Indonesia Foundation to fight for their rights to the foundation. One of the rights is to get soon the salary. When lecturers get their rights, they will be satisfied with the leader as well. The leader of the institution involves the lecturers in work plan arrangement, including improving the quality of learning, by providing equal opportunities for them (both the Kopertis or foundation’s lecturers) to continue their studies to the doctoral program level. Currently, there are several lecturers of the foundation who are continuing their studies to doctoral programs, both at State University of Makassar and private universities such as Muslim University of Indonesia. Moreover, the leader provides the beginner lecturers with opportunities to join some kinds of education and training such as character education and applied research (AA). Furthermore, together with the heads of research and community service institutes, the leader also holds a workshop on research proposal writing for beginner lecturers. This workshop is intended to make them competent in preparing a qualified research proposal, which enlarges their opportunities to obtain research grants. Moreover, such an activity is able to increase the number of lecturers who get research grant if compared to the previous year. In 2016, there were only two lecturers receiving research grant, each of which got beginner lecturer research grant (PDP) and dissertation research grant (PDD). This number experienced an increase in 2017 in which there were nine lecturers getting beginner lecturer research grants (PDP) and seven lecturers getting dissertation research grants (PDD). Furthermore, the leader includes the lecturers of the foundation as the committee of accreditation and involves them in preparing the accreditation of each study program of the respective faculty. Besides, the leader shows a sincere attitude in developing lecturers so that the lecturers are satisfied with his leadership.

3) Servant Leadership variable had a significant effect on Employee (Lecturer) Performance since the critical value obtained was at the 95% confidence level. That is, the leader often becomes role models for lecturers in teaching and guiding students. Moreover, the leader tries to give an explanation to the lecturers that their teaching honorarium will certainly be paid fully, so the lecturers need to be more patient. Besides, the leader often provides the lecturers with opportunities to participate in educational quality improvement with the latest reverence. The leader also motivates the lecturers who serve as academic advisors to guide seriously the students so that they are motivated to learn and complete their studies as soon as possible with a satisfying predicate. Furthermore, the leader motivates and directs the lecturers on how to guide students on thesis writing in the hope that the students can finish well their theses. The leader also often invites the lecturers and provides them with opportunities to participate in decision-making at meetings.

4) Reward System variable had a significant effect on Locus of Control, indicated by the significant critical value obtained at the 95% confidence level. That is, although the foundation’s lecturers feel dissatisfied with the policy made by the foundation chairman on rewards, they still have a high Locus of Control. This is because they still hope that there will be changes in the reward system as the institution gets a high score of accreditation. This is because the high accreditation score achieved will certainly lead to increased number of students enrolling in University of East Indonesia. The increased enrolling students will certainly affect the finance of East Indonesia Foundation so that the chairman of the foundation can provide rewards accordingly with the lecturer workloads.

5) Reward System variable had an insignificant effect on Job Satisfaction because the critical value obtained was insignificant at the 95% confidence level. This indicates that the reward system applied by the foundation to the lecturers still needs to be improved so that the lecturers feel satisfied with the rewards. As explained above, East Indonesia Foundation applies a reward system of 50% cash and 50% shopping voucher. With such a reward system, the lecturers are dissatisfied, especially those who have not been certified. Even, the teaching honorarium of the lecturers has not been paid for five semesters. The lecturers of the foundation who teach for more than twelve credit semester systems (SCS) have also not been rewarded by the foundation, and so it is with the postgraduate teaching honorarium which has not been paid for five semesters. Therefore, many lecturers are lazy to teach in the postgraduate. Furthermore, the lecturer’s honorarium of examining undergraduate (S1) or postgraduate students (S2) has not also been disbursed for three years. In fact, the students always pay or transfer their tuition costs, examination costs, internship (job training) costs to the foundation account. However, no any fund has disbursed to the lecturers who serve as undergraduate thesis/ thesis examiners. As a result, so many lecturers feel lazy to guide and examine students. When the examining lecturers do not attend their student exams, they can be replaced by any existing structural officials. It makes the lecturers more dissatisfied and disappointed with the policy of East Indonesia Foundation. Besides, they are curious and questioning where those all funds received from students are allocated by East Indonesia Foundation.

6) Reward System variable had no significant effect on Employee (Lecturer) Performance because the critical value obtained was significant at the 95% confidence level. This shows that the lecturers of the foundation are not satisfied with the reward system of 50% cash and 50% shopping voucher considering that their salary is below the Provincial Minimum Wage standard. The shopping voucher cannot be exchanged for money and only be redeemed at
the supermarket owned by East Indonesia Foundation. With giving the 50% shopping voucher, the lecturers are not contented so that many of them are complaining. Moreover, with the policy, the lecturers are no longer motivated to teach. Of 16 meetings, many of the foundation’s lecturers, especially those who have not been certified, commonly attend only 10 meetings, including Mid-Term Exam and Semester Final Exam. Even, some often come twice only while the other 14 meetings are manipulated with their attendance signs. Furthermore, the lecturers of the foundation often come in and teach the classes with no specific Teaching Instruction Units. They only narrate their own experiences that are mostly unrelated to the lesson. Such a condition can negatively affect the quality of education.

7) Locus of Control variable had a significant effect on Employee (Lecturer) Performance, indicated by the achievement of the critical value at the 95% confidence level. This indicates that the lecturers of the foundation still have a high Locus of Control that affects their performance. In the dimension of control of the health environment, it is indicated that the lecturers still maintain the work environment health. Therefore, the work environment remains conducive to carry out the tasks, so no lecturer of the foundation enters a protest against the foundation for the unpaid rights (salary). Similarly, viewed from the dimension of work motivation and achievement, it is indicated that the lecturers are confident in devoting the energy and thoughts to complete their tasks so that they can get good results. In this case, the lecturers of the foundation are entrusted to be the committee of accreditation by the Rector of University of East Indonesia. They remain enthusiastic in compiling forms and preparing the completeness of the forms to be sent to the Directorate of Higher Education (DIKTI). With such efforts, they are convinced that the high accreditation score of the institution can be realized through their hard work. Meanwhile, in the dimension of ability to influence others, it is indicated that the lecturers need to adapt to various task environment. Besides, the lecturer’s research performance gets increased because there are some lecturers who receive research grants from SIMLITABMAS (Information System of Research and Community Service). Such opportunities encourage the lecturers to conduct research and community services, given that the chairman of East Indonesia Foundation has not provided such research and community service grants which are highly needed by the lecturers.

8) Job Satisfaction variable had an insignificant effect on Employee (Lecturer) Performance because the critical value obtained was not significant at the 95% confidence level. It means that the lecturer’s job satisfaction is low so that the teaching performance of the lecturer is not adequate. The low satisfaction is caused by the foundation’s reward system policy stipulating that the 50% of their salary which amounted under the Provincial Minimum Wage standard is given in the form of shopping voucher. Related to this matter, there were three lecturers of the foundation reporting to the Regional Police of South Sulawesi to fight for their rights. Due to the report, the chairman of East Indonesia Foundation finally paid the seven-month salaries of the three lecturers. However, for other lecturers who did not make such a report, the foundation only paid their three-month salaries, meaning that their remaining four-month salaries have not been paid. The disbursement of the lecturer’s salary is often late, especially for those who have not had a certain academic degree. The lecturer’s honorarium of their additional teaching hours is also not paid and so it is with the salary of the lecturers who have received their certificate allowances. Even, East Indonesia Foundation issued a policy that the salary of the lecturers is paid per semester. Of course, it increasingly leads to job dissatisfaction that impacts on teaching performance of the lecturers. In other words, the lowering teaching performance is triggered by the lecturer’s dissatisfaction with the reward system applied by East Indonesia Foundation so that many lecturers are lazy to teach. As shown in this research, some lecturers taught only eight times of meetings in one semester and some even came to teach only twice but signed several times their attendance list. Related to this matter, many students reported that there were some lecturers rarely coming to teach so that students marched protesting to fight for the lecturer’s rights. Ultimately, the foundation agreed and promised to pay all the teaching honorarium of the lecturers. However, up to date, the chairman of the foundation has not fulfilled his promise. Thus, some lecturers who feel greatly disappointed with the chairman’s attitude were reluctant and lazy to submit the student scores to the head of the related study program. Consequently, it causes difficulties for the head of each study program and of course the students.

5 CONCLUSION

The foundation’s lecturers completing their master studies (S2) in University of East Indonesia are paid or rewarded with 50% cash and 50% shopping voucher. The reward system applied by East Indonesia Foundation is based on the consideration that the lecturers completed their master studies with the help or scholarship provided by the foundation. In other words, the lecturers run their master studies without paying any tuition until they graduate. However, the foundation’s lecturers completing their master studies in other university are paid 100% cash of salary.

REFERENCES


