

The Influence of Leadership

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The Influence of Leadership and Reward for Employee's Performance with Fairness as Mediation Variable at Yes Spa Kuta

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Abstract--- The development of business today increasingly growing rapidly, so that the company in managing the business is expected to use human resources properly and correctly. The success of a company or agency is determined by one of them is the performance of its employees in various fields. It is important for companies to be able to motivate employees' performance in various fields according to their portion. It is important for companies or agencies to manage fairness properly. Improving employee performance can be realized by implementing leadership roles. This research aims to analyse the influence of leadership and reward the performance of employee with fairness as a mediation variable at yes spa kuta. The number of samples used in this study as much as 60 employees using the saturated sample method. Data collection is done using a Likert scale questionnaire. Data analysis techniques using SEM PLS. results showed leadership and rewards positively impacting employees' performance. Fairness can strengthen the influence of fairness on employee performance at yes spa kuta.

Keywords--- Leadership, Rewards, Employee Performance, Fairness.

I. Introduction

The development of the business world is currently growing rapidly, so companies in managing businesses are expected to be able to use human resources properly and correctly. Human resources are the most important part in achieving organizational goals both large and small companies, a company has modern equipment with high technology. Human resources are one of the main drivers for every company operation, so efforts in developing human resources are the main strategy to uphold global competition (Gibson, 2015: 32). The purpose of understanding and studying human resource management as the knowledge needed to have analytical skills in dealing with management problems, especially in the field of organization.

Business competition at this time is getting tougher, each company is trying to win the competition. One way that can be used to win the competition lies in human resources (HR) which are said to have good potential. The success of a company or agency is very much determined by one of them is the performance of its employees in various fields.

The role of employees in every business is an important factor Therefore, companies or agencies must be able to process human resources, namely employees in such a way that there is a balance for all employees in a company or agency. One form of balance that companies or agencies create to improve employee performance is to provide the same motivation to every employee in the company or agency. Motivation received by employees is the existence of organizational fairness provided by companies or agencies. It is important for companies to be able to motivate the performance of their employees in sharing fields in accordance with their respective portions.

The discussion about leadership will never end to continue to be the hottest topic every time. The factor that causes why the problem of leadership has always been a trending topic is the development of the problem itself, because the development is almost every day many people discuss this topic from various circles. The development of leadership can be seen from the amount of literature that studies it.

Leadership itself has existed since our ancestors, forms of cooperation and so protect each other evolved along with following human civilization. Cooperation itself appears in the social life order of the community or groups in order to defend their lives from the wildness of animals and face the natural surroundings. Starting with these needs, the leadership role began. The person appointed as the leader of the group is the most powerful and brave person, so that there are mutually agreed rules, for example a leader must be of royal descent, healthy, strong, brave, tenacious,

clever, have a big influence and others. Therefore, until now a leader must have mild conditions, because the leader spearheading his group.

An organization needs a leader who can give enthusiasm to his subordinates to always be productive, because the existence of a leader in an organization is felt very absolute to be a captain for his subordinates. To support the success of the management function in the organization, one very important and decisive factor is leadership style. Leadership style is the core of management. It is said so because the leadership style is basically a means of driving or driving for all human resources as well as other resources and facilities available in the company organization.

Employees must receive their rights as employees a reward or compensation after they carry out obligations. The definition of reward is anything that employees receive in return for their work, in an organization. The issue of remuneration is a very complex, but most important for employees and the organization itself.

In increasing efficiency and productivity is an effort taken by the organization to create these conditions is to provide satisfactory rewards. By providing rewards, organizations can improve work performance, motivation, and employee job satisfaction. The importance of rewards as an indicator of satisfaction at work is difficult to estimate, because employees' views of money or direct rewards seem to be very subjective and are perhaps something very unique in the industry. Basically, allegations of unfairness in providing wages and salaries are basically sources of employee dissatisfaction with rewards, which in turn can lead to disputes and decreased employee morale.

II. Literature Review and Hypothesis

Leadership is an effort to influence many people through communication to achieve goals, how to influence people with instructions or orders, actions that cause others to act or respond and cause positive changes, important dynamic forces that motivate and coordinate organizations in order to achieve goals, the ability to create a sense confidence and support among subordinates so that organizational goals can be achieved.

Leadership is the ability to influence a group to achieve a vision or set of goals that are set.

Rewards are all things that are received by employees provided by the company as a remuneration for the contribution of energy and thoughts for the progress of the company. Performance of employee is level of achievement the results implementation of certain tasks of an employee. Performance of management is overall activities carried out to raise the performance of a company or organization, include on performance of each individual and work group in the company.

Fairness is an action or decision that is given on a matter (either winning / giving and or dropping / rejecting) in accordance with the applicable laws and regulations, just as long as the words are from Arabic 'is, the language transfer is straight. In terms of putting something in its place / rule, the opposite is said wrongdoing / persecution (putting something out of place). To be able to put things in their place, we must know the rules of something, without knowing the rules of something, how can someone do something in their place.

Hypothesis 1 (H1): Leadership has a positive and significant influence on fairness.

Leadership in an organization will affect the characteristics of employees. New employees are expected to have characteristics like this, because employees are faced with an increasingly complex and ambiguous work situation, which is a very favorable situation (Gerhat, 2014). Company employees feel that they get fairness in working from the company management, when management has the ability, policy and integrity to be fair to employees.

Hypothesis 2 (H2): Rewards have a positive and significant effect on fairness.

Rewards include all expenses incurred by the company for workers and are accepted or enjoyed by workers, either directly, routinely or indirectly (Nuzulia, 2015). Fairness refers to how the average salary of a job in a company is compared to the average salary of a job in a company compared to the average salary in another company.

Hypothesis 3 (H3): Leadership has a positive and significant influence on employee performance.

According to Sudarmanto (2015) leadership is one of the competency dimensions that is crucial to the organization's performance or success. Anoraga (2014) argues that leadership is the ability to influence subordinates, through direct and indirect communication with the intention to move people so that they are understanding, aware, and happy to follow the leadership's wishes.

Hypothesis 4 (H4): Rewards have a positive and significant effect on employee performance

Regarding rewards, Dharma (2015) expressed his opinion about rewards. Based on the above understanding, it can be seen that rewards are an important factor affecting the level of employee performance in an organization to obtain rewards.

Hypothesis 5 (H5): Fairness has a positive and significant effect on employee performance.

Siti Hidayah (2014) states that the concept of fairness meant in relation to improving performance is fairness which includes three forms of fairness, namely distributive fairness, procedural fairness, and interactional fairness. In the research to be conducted the researcher focuses only on procedural fairness.

Hypothesis 6 (H6): Leadership has a positive effect on fairness with employee performance as a mediating variable.

Capability-oriented leaders focus on developing employee skills that enhance the quality of their behavior, for example sales presentation training. Leaders who have an ability to improve orientation look more like coaches who focus on improving the skills and abilities of employees (sales force). Capability-oriented leaders include specifying what needs to be done to effectively perform tasks to employees, monitor progress and provide them with feedback that is appropriate to their abilities (Kohli, 2016).

Hypothesis 7 (H7): Rewards has a positive effect on fairness with employee performance as a mediating variable.

Employee performance is the most important factor in an organization that is engaged in service. To produce good performance requires a work process that goes well (Wibowo, 2016). Therefore, it is very important to look at factors that can produce good performance.

III. Research Method

This study was conducted with a survey to analyze and explain the interrelationship of the variables studied. Respondents in this study were all employees of Yes Spa Kuta, as many as 60 people. All of the questionnaires collected by census, the demographic profile of respondents can be known, namely 81.7% female sex, 46.7% aged 26-30 years, 58.3% educated high school / equivalent.

The overall data obtained were further analyzed using Partial Least Squares with Smart-PLS software. As per Hair et al. (2006), the first step in the analysis is testing the measurement model (outer model) which consists of convergent validity, discriminant validity, and reliability.

Next, test the structural model (inner model) using Q-Square predictive relevance (Q²). The final step, testing hypotheses and checking mediation.

IV. Results and Discussion

Outer Model Evaluation

Evaluation of the outer model is also called the evaluation of the measurement model carried out to assess the validity and reliability of the model. Analysis of construct measurement models with reflection indicators want to see the validity of each indicator and test the reliability of the construct.

Indicator validity criteria are measured by convergent validity, while construct reliability is measured by composite reliability and average variance extracted or AVE.

Inner Model Evaluation

Inner Model testing or structural models are performed to looked at the relationship on variables, significance values, R Square and research models. The structural model is evaluation by using R-Square for the dependent variable t test and the significance of the coefficient of structural path parameters. The assessment of the PLS model starts with looked at the R-Square on each latent dependent variable.

Transformation in R-Square can be use to measure the effect of certain exogenous latent variables in endogenous latent variables that have substantive effects. The structural model is rated by observing Q² predictive related of the model that rate how well the observational value generated by the model.

Q² is based by coefficient of determination all dependent variables. Together with Q² has a value with the range $0 < Q^2 < 1$, the closer to the value 1 means the better the model.

Hypothesis Testing and Mediation Examination

Table 1: Recapitulation of Mediation Variable Testing Results

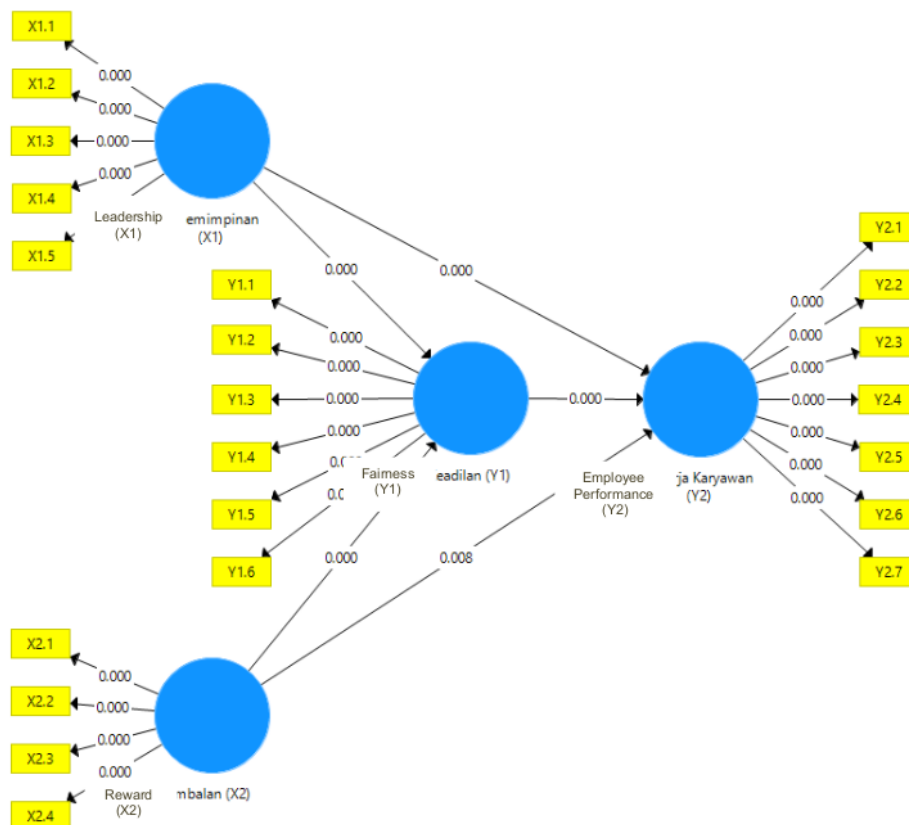
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Rewards (X2) -> Fairness (Y1) -> Employee Performance (Y2)	0.187	0.190	0.059	3.152	0.002
Leadership (X1) -> Fairness (Y1) -> Employee Performance (Y2)	0.218	0.215	0.076	2.859	0.004

Source: Primary data processed, 2019

Based on Table 1, the p-value and t statistics variable values are explained as follows.

The p-value of the variable Rewards for Employee Performance through Fairness is 0.002 compared with a significance of 0.05. Because the p-value <significant (0.002 < 0.05) with a beta value of positive 0.187 and t statistics of 3.152 compared with t-table of 2.003. Because the value of t-statistics > t-value (3.152 > 2.003), it can be concluded that Fairness is able to separate positively and significantly the effect of Rewards on Employee Performance. The p-value of the variable Leadership to Employee Performance through Fairness is 0.004 compared to 0.05. Because the p-value <significant (0.004 < 0.05) with a beta value of positive 0.218 and t statistics of 2.859 compared with t-table of 2.003. Because the value of t-statistics > t-value (2.859 > 2.003), it can be concluded that Fairness is able to mediate positively and significantly the influence of Leadership on Employee Performance.

In order to clarify the results of hypothesis testing, it can be presented a model of overall research results in Figure 1 below:



Source: results of analysis

Based on the consequences of data analysis, it is found that the p-value of the variable Leadership to Fairness is 0,000 compared with a significance of 0.05. Because the p-value <significant (0,000 <0.05) with a beta value of positive 0.477 and t statistics value of 4.533 compared with t-table of 2.003. Because the value of t-statistics > t-value (4,533 > 2,003), it can be concluded that Leadership has a significant positive effect on Fairness. Leadership in an organization will affect the characteristics of employees.

New employees are expected to have characteristics like this, because employees are faced with an increasingly complex and ambiguous work situation, which is a very favorable situation (Gerhat, 2014). Company employees feel that they get fairness in working from the company management, when management has the ability, policy and integrity to be fair to employees. The analysis of this study are in line with research from Mutiara Ramadhan (2018) "The Effect of Leadership, Fairness and Job Satisfaction on Organizational Commitment" which found that all variables used namely leadership and organizational commitment had a positive effect on job satisfaction and fairness. Based on the results of data analysis, it is found that the p-value of the variable Reward of Fairness is 0,000, compared with a significance of 0.05. Because the p-value <significant (0,000 <0.05) with a beta value of positive 0.410 and t statistics of 3.865 compared with t-table of 2.003. Because the value of t-statistics > t-value (3,865 > 3,865), it can be concluded that Rewards has a significant positive effect on Fairness. Rewards include all expenses incurred by the company for workers and received or enjoyed by workers, either directly, routinely or indirectly (Nuzulia, 2015). Fairness refers to how the average salary of a job in a company is compared to the average salary of a job in a company compared to the average salary in another company. The results of this study are in line with research from Candra Dewi (2018) "The Effect of Rewards and Fairness on Employee Satisfaction on Ngurah Rai Coptax Driver Bali" who found that Rewards has a positive impact on Fairness.

In accordance with the results of data analysis, the results obtained are the p-value of the variable Leadership to Employee Performance of 0,000 compared with a significance of 0.05. Because the p-value <significant (0,000 <0.05) with a beta value of positive 0.339 and t statistics of 4.443 compared with t-table of 2.003. Because the value of t-statistics > t-value (4,443 > 2.003), it can be concluded that leadership has a significant positive effect on employee performance. According to Sudarmanto (2015) leadership is one of the competency dimensions that is crucial to the organization's performance or success. Anoraga (2014) argues that leadership is the ability to influence subordinates, through direct and indirect communication with the intention to move people so that they understand, aware, and happy to follow the leadership's wishes. The results of this study are in line with research from Kiswanto (2016) "The Effect of Leadership and Communication on Employee Performance in East Kalimantan Pos Samarinda" which found that Leadership with Communication has a positive and significant effect on Employee Performance.

In accordance with the results of data analysis, the results obtained are the p-value variable Rewards for Employee Performance of 0.008 compared with a significance of 0.05. Because the p-value <significant (0.008 <0.05) with a beta value of positive 0.220 and t statistics value of 2.656 compared with t-table of 2.003. Because the value of t-statistics > t-value (2.656 > 2.003), it can be concluded that Rewards has a significant positive effect on Employee Performance. Regarding rewards, Dharma (2015) expressed his opinion about rewards. Based on the above understanding, it can be seen that rewards are an important factor affecting the level of employee performance in an organization to obtain rewards. The results of this study are in line with the research of Maia (2014) "The Effect of Rewards and Motivation on Employee Performance" which found that the effects of Rewards and Rewards had a significant positive effect.

The results of data analysis showed that the p-value of the Fairness variable on Employee Performance was 0,000 compared with a significance of 0.05. Because the p-value <significant (0,000 <0.05) with a beta value of positive 0.456 and t statistics of 4.460 compared with t-table of 2.003. Because the value of t-statistics > t-value (4,460 > 2,003), it can be concluded that Fairness has a significant positive effect on Employee Performance. Siti Hidayah (2014) states that the concept of fairness meant in relation to improving performance is fairness which includes three forms of fairness, namely distributive fairness, procedural fairness, and interactional fairness. In the research to be conducted the researcher focuses only on procedural fairness. The results of this study are in line with research from Yogeswari (2014) "The Effect of Fairness and Job Satisfaction on Employee Performance in BPR in Tabanan Regency" which found that there is an effect of fairness on employee performance is positive meaning it can be concluded that employee performance can be significantly influenced by leadership or by increasing leadership the employee's performance will increase significantly.

Based on the results of data analysis obtained p-value variable Leadership to Employee Performance through Fairness of 0.004 compared with a significant of 0.05. Because the p-value <significant (0.004 <0.05) with a beta value of positive 0.218 and t statistics of 2.859 compared with t-table of 2.003. Because the value of t-statistics > t-

value (2.859 > 2.003), it can be concluded that Fairness is able to mediate positively and significantly the influence of Leadership on Employee Performance.

Capability-oriented leaders focus on developing employee skills that enhance the quality of their behavior, for example sales presentation training. Leaders who have an ability to improve orientation look more like coaches who focus on improving the skills and abilities of employees (sales force). Capability-oriented leaders include specifying what needs to be done to effectively perform tasks to employees, monitor progress and provide them with feedback that is appropriate to their abilities (Kohli, 2016).

Based on the results of data analysis, the results of the p-value variable Rewards for Employee Performance through Fairness amounted to 0.002 compared with a significance of 0.05. Because the p-value < significant (0.002 < 0.05) with a beta value of positive 0.187 and t statistics of 3.152 compared with t-table of 2.003. Because the value of t-statistics > t-value (3.152 > 2.003), it can be concluded that Fairness is able to mediate positively and significantly the effect of Rewards of Employee Performance. Employee performance is the most important factor in an organization that is engaged in service. To produce good performance requires a work process that goes well (Wibowo, 2016). Therefore, it is very important to look at factors that can produce good performance.

V. Conclusion

1. Leadership has an effect positive effect on Fairness. So if leadership increases, fairness will also increase.
2. Rewards have a significant positive meaning on Fairness. So if rewards increase, fairness will increase.
3. Leadership has a significant positive effect on employee performance. So if leadership is increasing, the employee's performance will also increase.
4. Rewards on significant positive effect on Employee Performance. This means that if rewards increase, employee performance will increase.
5. Fairness has a significant positive effect on employee performance. This means that if if Fairness is increasing the Employee Performance will increase as well.
6. Fairness is able to positively mediate the influence of leadership on employee performance. This means that Fairness plays a significant role in mediating the influence of Leadership on Employee Performance.
7. Fairness is able to positively separate the effect Rewards of Employee Performance. This meaning that Fairness plays a significant important in separate the effect of Rewards on Employee Performance.

Recommendation

1. For Companies, the results of this study can be used to optimize Employee Performance. This can be done by designing regulations and policies to improve Leadership, Rewards and improve Fairness.
2. For the University, the results of this research can be used as teaching materials and examples in analyzing case studies in certain subjects in order to prepare graduates who later wish to become public accountants.
3. For future researchers, the results of this research can be used as a source of teaching or case studies in activities in certain subjects. Based on the determinants of the performance of employees quite a lot and are different from the conditions of the institutions with each other. The results of this study can be used as a literature review in order to conduct similar research through a longitudinal approach (from time to time), and allow it to be used in other institutions by adding research samples and reconstructing the research model with other variables so that the research results are in accordance with actual conditions.

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