The Influence of Reward Systems, Decentralization and Implementation of TQM on Managerial Performance of Schools Leaders

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Abstract

This study seeks to determine the impact of implementing good management as a whole, overall performance measurement structure, reward system, and decentralization on managerial performance in several private schools in Jakarta and Tangerang. Likert scale is used to collect important facts for this study. As the study sample, five schools have been selected. The method used in this research technique is a quantitative method. This study involved 60 respondents. Validity testing was carried out with Pearson correlation, reliability testing with Cronbach's alpha, and hypothesis testing with multiple regression analysis techniques. The consequence of this observation reveals that management performance is generally good, with an importance value of 0.000, some of which have effects that can be applied to managerial performance. These results are based on statistical tests with a significance level of 5%. Good management as a whole, overall performance measurement tools, reward tools, and decentralization all have a significant effect on managerial performance with a significance cost of 0.00, while performance dimension tools, reward machines, and decentralization have no significance value with values of 0.055, 0.500, and 0.071.
Keywords: Performance Measurement, Reward System, Decentralization, Managerial Performance

Abstrak

Penelitian ini berupaya untuk menentukan dampak penerapan manajemen yang baik secara keseluruhan, struktur pengukuran kinerja secara keseluruhan, sistem penghargaan, dan desentralisasi pada kinerja manajerial di beberapa sekolah swasta di Jakarta dan Tangerang. Skala likert digunakan untuk mengumpulkan fakta-fakta penting untuk penelitian ini. Sebagai sampel studi, lima sekolah telah dipilih. Metode yang digunakan dalam teknik penelitian ini adalah metode kuantitatif. Penelitian ini melibatkan 60 responden. Pengujian validitas dilakukan dengan korelasi Pearson, pengujian reliabilitas dengan alpha Cronbach, dan pengujian hipotesis dengan teknik analisis regresi berganda. Konsekuensi dari pengamatan ini mengungkapkan bahwa performa manajemen secara umum sudah baik, dengan nilai kepentingan 0.000, sebagian memiliki efek yang dapat diterapkan pada kinerja manajerial. Hasil tersebut berdasarkan uji statistik dengan taraf signifikansi 5%. Manajemen yang baik secara keseluruhan, perangkat pengukuran kinerja secara keseluruhan, perangkat pujian, dan desentralisasi semuanya cukup berpengaruh pada kinerja manajerial dengan biaya signifikansi 0,00, sedangkan perangkat dimensi kinerja, mesin penghargaan, dan desentralisasi tidak memiliki nilai kepentingan dengan nilai 0.055, 0.500, dan 0.071.
Kata Kunci: Pengukuran Kinerja, Penghargaan, Desentralisasi, Kinerja Manajerial

INTRODUCTION

A variety of different strategies are utilized by different companies to deal with this competition in today's highly modern and globalized world. Companies aim to grow in order to

compete with other competitive companies. The application of total quality management (TQM) is one of several options available to a business. By implementing total quality management (TQM), private school can improve the quality and productivity of a production and develop the capabilities possessed by the company's resources for the better. TQM, which is a system that makes continual improvements and remains consistently good at servicing customers, is anticipated to have a favorable impact on management performance, specifically boosting the managerial performance of organizations that apply it, according to Angelina (2012: 4). In addition, good performance can be said to reduce costs, making it more economical, because with the aim of TQM, which continuously improves quality, it can prevent many defects and eliminate losses between customers, suppliers, and employees.

Whole quality management, also known as integrated quality management, is an organizational setting where all functions collaborate to infuse quality into a company's goods or services, according to Simamora (2012: 28). Jusuf (2013:636) claims that the implementation of TQM in a company can have a number of key advantages, which in turn boost the firm's profitability and competitiveness. The business can boost its revenues in two different ways by consistently enhancing the quality of its products. The corporation can strengthen its competitive position through the first path, i.e., the market route, increasing both its market share and selling price. Because of these two factors, income rises, resulting in higher profits. While on the second path, businesses can expand output that is damage-free by focusing on quality improvement. The result is a reduction in the company's operational expenses. As a result, the profit will rise.

In addition to total quality management, performance measurement itself also plays an important role for employees because it is used to explain performance standards and motivate employees in the future. Performance measurement is also a reference for managers when giving appreciation to those who have worked according to their responsibilities. According to Mintje (2013: 53), with a performance measurement system, top management gets feedback about the exercise of authority to be exercised by the management below. Communication between managers and subordinates in terms of exchanging information is very supportive for the organization in terms of improving the quality and performance of the organization. Performance measurement systems are procedures that firms use to evaluate employee performance in order to enhance internal decision-making, according to Mintje (2013: 55). If the findings of performance assessment systems can provide feedback that can aid employees in their efforts to further enhance their work, then those systems may be valuable for users (Jusuf, 2013: 637). A performance measurement system, according to Anthony and Govindarojan (2009:169), is a method that increases the possibility that the organization will successfully implement its strategy.

The use of a reward system can also improve company performance because, psychologically, every individual can improve their performance when given an award or an expression of appreciation in any form. According to Sudarmanto (2009:36), a reward system can encourage employee behavior

or provide reinforcement for employee behavior that has been carried out. It is envisaged that this reward scheme will enhance organizational performance and assist in achieving the company's objectives. The employee reward system is designed for the goals or interests of both parties, namely employees and the organization. For employees, the reward system is intended to foster motivation and morale as well as job satisfaction. The existence of organizational recognition of the performance achieved by employees will lead to confirmation of the attitudes and behaviors that have been carried out. Employee job satisfaction will prevent absenteeism, time wastage, and turnover and, on the other hand, can raise morale so that employees are motivated to excel and perform better. Thus, the needs and interests of employees will be relatively fulfilled. For organizations, reward systems can lead to increased organizational performance as a consequence of employee enthusiasm and passion. Organizations can minimize the unnecessary allocation of financial resources. In addition, organizations can optimize employee resources to spur the achievement of organizational goals.

Decentralization itself has been widely used in various companies or organizations because decentralization can improve and increase the effectiveness and productivity of companies or organizations. Decentralization is the transfer of power or responsibility from the top management level to the lower management tier. Decentralization, according to Afrida (2013: 3), is the degree to which management at a higher level permits management at a lower level to make choices on its own. In an organization, decentralization refers to the transfer of decision-making power to lower management. Decentralization essentially moves the decision-making point for each necessary decision to the lowest managerial layer (Simamora, 2012: 250).

According to Angelina (2012: 3), managerial performance refers to how well a specific organization member performs in managerial tasks such staffing, planning, investigation, coordination, and negotiation. Performance or value of work activities can be understood as the accomplishments that the company can produce in a specific time period by carrying out activities from programs based on policies in order to meet the goals, objectives, vision, and mission outlined in the organization's strategic plan (Kumentas, 2013: 798). Whether a business is successful in achieving its goals and fulfilling its social commitments depends heavily on the manager. If managers are capable of doing their responsibilities, the organization will be able to achieve the stated goals and objectives (Jusuf, 2013: 638). With the right use of comprehensive quality management, businesses may ascertain how much change has been produced by the performance of their managers and people within the organization, as well as the influence of establishing performance measurement systems, reward systems, and decentralization (TQM). This affects management performance since managers are essential to an organization's capacity to meet its goals and keep its social responsibilities. If managers are capable of doing their responsibilities, the organization will be able to achieve the stated goals and objectives (Jusuf, 2013: 635). TQM and awards partially have a substantial impact on managerial performance, however the performance measurement system does not, according to Jusuf's research (2013: 634) TQM, performance monitoring tools, and awards are all concurrently

influencing managerial performance. According to Kumentas' research, only the performance measurement system, followed by the incentive system, of the three general quality management variables has an effect on managerial performance. Based on the overview above and previous studies, the researcher wants to learn more about "The Influence of Reward Systems, Decentralization and Implementation of TQM on Managerial Performance of Schools Leaders."

METHODS

Research having problem features in the form of a causal relationship between two or more variables is included in this study as is comparative causal research. The independent variables total quality management (TQM), performance measurement systems, reward systems, and decentralization were applied to the dependent variable managerial performance in this study. Researchers concentrated more on the scope of their study on various private schools in Jakarta and Tangerang in order to draw attention to their work. After determining the scope of the research and directing the researchers more directly in conducting research, the researchers must determine the population to be tested. "Population" is the complete collection of people, occasions, or objects that researchers desire to study, according to Sekaran (2006: 121). Also, the population is the degree of management in schools in Tangerang and Jakarta that offer private education. And from the entire population, the researcher will take several samples that will be used as research testing material. According to Sekaran (2006:123), the sample is a portion of the population and is composed of people selected at random. Data collection was done through the distribution of questionnaires, and the sample was chosen to include managers, division heads, supervisors, and personnel who are crucial to enhancing managerial performance. The distribution of questionnaires began in June 2015 and continued until August 2015. The technique used by researchers in this study for sampling was the convenience sampling method.

In collecting data, data sources are important in determining data collection techniques. There are two different categories of data sources that can be used in research: primary data and secondary data. In this inquiry, primary data were employed. Field research, also known as direct research from the first party (primary data), or research data received directly from the original source, was used to collect the data for this study. Indriantoro and Supomo (2002:147) state that the questionnaire method of data collection can be used to gather information and data for this project. Descriptive statistical tests, data quality checks (validity and reliability checks), traditional assumption checks (multicollinearity checks, heteroscedasticity checks, and normality checks), and hypothesis checks (coefficient of determination (Adusted R^2), test t statistics, and statistical test f checks) were all used in this study to analyze the data.

RESULTS AND DISSCUSION

Based on gender, there were 38 male respondents, or 63.33%, and 22 female respondents, or

36.67%. Then, according to age, it was found that those aged 20-30 years amounted to 25 people, or 41.67%; for respondents aged 30-40 years, there were 29 people, or 48.33%; and for respondents who were more than 40 years old, there were 6 people, or 10%. Then, based on length of work, it was found that respondents who had worked 1-5 years totaled 24 people, or 40%; respondents who had worked 5-10 years totaled 32 people, or 53.33%; and respondents who had worked more than 10 years amounted to 4 people, or 6.67%.

The TQM variable had a minimum total answer of 8 respondents and a maximum total answer of 38, with an average total answer of 33.07 and a standard deviation of 4.15, according to the findings of the descriptive statistical test. The overall answer range for the performance measurement system variable is between 9 and 24, with an average answer of 20.67 and a standard deviation of 2.50. The incentive system variable receives anywhere between 3 and 15 replies overall, with an average total answer of 10.92 and a standard deviation of 2.38. The decentralization variable has a minimum total answer of 4 respondents and a maximum total answer of 20, in contrast to the managerial performance variable, which has a minimum total answer of 12 and a maximum total answer of 40 respondents, an average total answer of 33.75, and a standard deviation of 3.95.

The TQM variable was found to meet the valid criterion for all question items with a significance value of less than 0.05 based on the validity test findings. This suggests that every question utilized to assess the TQM variable in this study is suitable for use in this research and is able to reveal the TQM variable. For all of the question items with a significance level under 0.05, the performance measuring system variable satisfies the criterion for validity. This shows that every question used to assess the performance assessment system's variables in this study can reveal variables and is suitable for its intended function. With a significance level of less than 0.05, the incentive system variable satisfies the requirements for validity for all of the question items. As a result, it can be inferred that each and every question used to evaluate the reward system variable in this study is appropriate for usage in this research and capable of revealing the reward system variable. Every questionnaire item's validity requirements are met by the decentralized variable with a significance level of less than 0.05. This suggests that every question utilized to gauge the decentralization variable in this research is capable of revealing the decentralization variable and is suitable for usage in this research. With a significance value of less than 0.05, managerial performance factors meet the criterion for validity for all of the question items. This suggests that every question utilized to assess the management performance factors in this study is suitable for use in this research and is able to uncover managerial performance variables.

According to the findings of the reliability test for the five research variables, the TQM variable had a Cronbach's Alpha of 0.803, the performance measurement system variable was 0.643, the reward system variable was 0.911, the decentralization variable was 0.809, and the managerial performance variable was 0.819. The fact that Cronbach's Alpha for the five variables used in this study is greater than 0.60 suggests that the assertions in this questionnaire are reliable. This

demonstrates that each statement item used to measure a variable will be able to acquire reliable data, ensuring that if the statement is submitted again, the result will be accurate.

According to the results of the Multicollinearity Coefficients Test, in addition to TQM, which has a tolerance value of 0.347, the performance measurement system, which has a tolerance value of 0.398, the reward system, which has a tolerance value of 0.769, and the decentralization, which has a tolerance value of 0.429, all independent variables have a tolerance value greater than 0.10. All of the independent factors in this study had a VIF value of less than 10, including the TQM variable, the performance measurement system variable, the reward system variable, the decentralization variable, and the reward system variable. The regression model can therefore be utilized in this investigation because there are no issues with multicollinearity.

Based on the findings of the heteroscedasticity test, the scatterplot graph shows that there is no heteroscedasticity since there is no visible pattern in the distribution of the data, and the data are equally distributed above and below the Y axis value of 0 (zero). Due to the absence of heteroscedasticity in the regression equation model, it is therefore possible to use the regression model to investigate how implementing total quality management, performance measurement systems, reward systems, and decentralization influences managerial performance. the heteroscedasticity test's findings The Glejser Test shows that the TQM variable's probability value is 0.785 greater than 0.05, indicating that it is free from heteroscedasticity; the probability values of the measurement system and reward system are 0.341 greater than 0.05, 0.866 greater than 0.05, and 0.866 greater than 0.05, respectively; and the probability value of the managerial performance system is also 0.866 greater than 0.05. The results of the normality test when a significance level above 0.05 is shown using the Kolmogorov-Smirnov one-simple Kolmogorov-Smirnov test with test statistical values of 0.083 and 0.200 for probability, it is possible to establish if the residual data has a normal distribution.

According to the results of the determination coefficient test, the independent variables TQM, performance measurement system, reward system, and decentralization can account for 73.2% of the dependent variable of managerial performance, with the remaining 0.268 (or 1.0%), or 26.8%, being explained by other variables outside the model in this study, such as commitment, perception, and organizational culture. The coefficient number (R) of 0.866 indicates a substantial link between the independent factors and the dependent variable because the correlation coefficient is greater than 0.5. According to the results of the t statistical test, the only variable that has an effect on the dependent variable, managerial performance, is TQM, which has a significance value of less than 0.05.

TQM Influences Managerial Performance

According to hypothesis testing 1, the independent variable TQM has a significance level of 0.000. Because the TQM variable's significance level is less than 0.05 and smaller than the Alpha value of 0.05 (0.000 < 0.05), which indicates using Ha1 methodology, it may be stated that the implementation of TQM has an impact on management performance (Ghozali, 2013:98). As can be observed, there is a positive correlation between management success and TQM, with the regression

coefficient of the TQM variable having a positive value of 0.493. TQM will support managerial performance in a better direction if it is implemented correctly and effectively in a company. This is because the existence of TQM, which is a system that makes continuous improvements and consistently serves customers, will of course have a positive impact on managerial performance, which will increase an organization's profits. TQM itself possesses components that can enhance a company's managerial effectiveness. The cornerstones of TQM include customer attention, a preoccupation with quality, a scientific methodology, a long-term commitment, teamwork, and continuous system improvement. Sustainability, education and training, supervised freedom, a shared goal, and employee participation. The TQM components itself are elements that improve managerial performance and sharpen focus, supporting organizations in accomplishing their goals. This study confirms findings from earlier research by Dauhan (2013), Jusuf (2013), Munizu (2010), and Pasaribu (2009) showing the application of TQM has a considerable impact on managerial performance.

Performance Measurement Systems Influence Managerial Performance

The independent variable of the performance assessment system has a significance level of 0.055, according to the results of hypothesis testing 2. Given that the performance measurement system variable's degree of significance is greater than 0.05, it can be said that the performance measurement system has no impact on managerial performance. It is rejected that Ha2 since this level of significance is more than the value of Alpha, which is 0.05 ($0.055 > 0.05$). (Ghozali, 2013:98). As can be seen, there is an inverse relationship between managerial performance and the performance measurement system, with a positive regression coefficient of 0.331 for the PMS variable.

A performance measurement system can be effective if only the outcomes can give employees of the organization feedback in an effort to improve performance. Performance measurement systems are a tool that businesses can use to improve the company's managerial performance. However, when the performance measurement system cannot provide feedback and does not work well, it certainly will not affect managerial performance. Because the standards used in an organization for measuring performance are not necessarily the same as those of other organizations or companies, good feedback for members of the organization and does not help members of the organization make performance improvements. Jusuf's (2013) earlier study, which found no discernable relationship between managerial performance and the performance assessment method, was supported by this study.

Reward System Affects Managerial Performance

The third hypothesis test shows that the independent variable of the reward system has a significance level of 0.500. It can be concluded that the incentive system has no impact on management performance more than 0.05 because the reward system variable rejects Ha3 with a significance level greater than the Alpha value of 0.05 ($0.500 < 0.05$). (Ghozali, 2013:98). As can be seen, management performance and the incentive system are positively correlated, with the reward system variable's regression coefficient having a positive value of 0.087.

The results show that the reward system has little influence on managerial effectiveness, which may be the case because the sample studied is composed of educated, intellectual individuals, they are more concerned with how a performance is measured, while the reward itself is a consequence of such good performance, so workers those who were sampled did not see the reward system as a reference in order to work better, but they focused on how to work better, awards were part of what was obtained or a consequence of good work, so rewards themselves were not a reference in improving performance. This study backs up other studies by Dewi (2013), Kumentas (2013), and Narsa (2007) that found no discernible connection between the compensation structure and managerial success.

Decentralization Affects Managerial Performance

According to the findings of hypothesis test number four, decentralization, an independent variable, has a significance level of 0.071. Given that the decentralization variable's significance level is greater than 0.05, it may be assumed that decentralization has no impact on management performance (Ghozali, 2013: 98). This level of significance excludes Ha4 since it is bigger than the alpha value of 0.05 (0.071 < 0.05). As can be seen, decentralization and management success are positively correlated, with the decentralization variable's regression coefficient having a positive value of 0.303. Decentralization has disadvantages, including the difficulty in achieving organizational goal alignment because each division has its own goals. This makes it challenging to align organizational goals and enhance overall performance, despite the fact that decentralization has been widely used by organizations to improve organizational performance. Previous studies by Primadana et al. (2013) and Afrida (2013), which claimed that decentralization has a major impact on management performance, were not supported by research.

TQM, Performance Measurement System, Reward System, and Decentralization of Managerial Performance

Essentially, the F statistical test analyzes if each independent variable, such as TQM variables, performance measurement systems, reward systems, and decentralization, has a combined impact on the dependent variable, such as managerial performance with decision-making criteria. If the probability value is greater than or equal to 0.05, Ha5 is acceptable. The results of the statistical test f show that the calculated F value is 41.242 with a significance level of 0.000. Since that the probability value is less than 0.05 (0.000 < 0.05), it may be stated that Ha5 is valid and that the factors TQM, performance measurement systems, reward systems, and concurrent decentralization significantly affect management performance. TQM, performance measurement systems, reward systems, and decentralization all have a considerable impact on managerial performance when they occur concurrently, according to earlier studies by Primadana et al. (2014), Jusuf (2013), Mintje (2013), and Narsa (2007). These results are supported by this study.

CONCLUSION

Based on data collected through questionnaires from several private schools in Jakarta and Tangerang and analyzed using multiple linear regression methods, this study's findings can be summed up as follows: The t-statistical test's findings indicated that TQM had an impact on managerial effectiveness. This study backs up earlier investigations by Dauhan (2013), Jusuf (2013), Munizu (2010), and Pasaribu (2009). The statistical test's findings show that the performance assessment method has no impact on managerial effectiveness. This study backs up earlier investigation by Jusuf (2013). According to the statistical test's findings, the performance of managers is unaffected by the reward structure. This study backs up earlier studies by Dewi (2013), Kumentas (2013), and Narsa (2007). According to the findings of the statistical test, decentralization had no impact on managerial effectiveness. This study contradicts earlier studies by Primadana et al. (2014) and Afrida (2013). According to the findings of the F statistical test, decentralization, performance measurement systems, and TQM all have simultaneous, substantial effects on managerial performance. Earlier studies by Primadana et al. (2014), Jusuf (2013), Mintje (2013), and Narsa (2014) are supported by the findings of this study (2007).

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