Performance Determinants Mediated by the Implementation of Corruption-Free Zones

Sofyan Ansori Tondang, Kiki Farida Ferine

Abstract
This study aims to analyze the influence of competence and work environment on employee performance with the implementation of the Corruption-Free Zone (WBK) as an intervening variable at the Immigration Office Class II TPI Pematangsiantar. This research employs a quantitative approach using the Partial Least Square (PLS) method to examine the relationships among latent variables. Data were collected through questionnaires distributed to employees who participated as respondents in this study. The results show that competence has a positive and significant effect on employee performance as well as on the implementation of the Corruption-Free Zone. The work environment does not have a direct effect on employee performance but has a significant effect on the Corruption-Free Zone. Furthermore, the Corruption-Free Zone has a positive and significant impact on employee performance. The indirect effect test indicates that competence and work environment influence performance through the Corruption-Free Zone as a mediating variable. Theoretically, this research reinforces the concept that improving employee competence and creating a conducive work environment can promote the implementation of clean and corruption-free organizational governance, which ultimately enhances employee performance. Practically, the results of this study are expected to serve as a reference for government institutions in improving human resource quality and strengthening a culture of integrity to realize a professional and accountable bureaucracy.

Keywords: *Competence, Work Environment, Employee Performance, Corruption-Free Zone*

Sofyan Ansori Tondang[1]
[1]Master of Management, Universitas Pembangunan Panca Budi, Indonesia
e-mail: ansori.tondang@gmail.com[1]

Kiki Farida Ferine[2]
[2]Master of Management, Universitas Pembangunan Panca Budi, Indonesia
e-mail: kikifaridaferinesyarif@yahoo.com[2]
2nd International Conference on Islamic Community Studies (ICICS)
Theme: History of Malay Civilisation and Islamic Human Capacity and Halal Hub in the Globalization Era

Introduction

Employee performance is the result of work in terms of quality and quantity achieved by an employee in carrying out his duties according to his responsibilities. In the context of modern bureaucracy, performance is not only measured from the completion of administrative tasks, but also from the aspects of integrity, accountability, and orientation of public services. Competence is part of a person's personality that is very deep and inherent in a person with predictable behavior when there are various tasks and jobs. Competence is the ability to carry out or perform a job or task based on skills and knowledge and supported by the work attitude demanded by the job. A positive and safe work environment gives employees a sense of security and allows them to work at their best. The work environment has an emotional impact on employees; If they enjoy their workplace, they will feel comfortable carrying out their daily tasks and their working hours will be used productively and optimistically. One will work side by side with many people. The success of an organization is also influenced by the work environment, so it is important to maintain and cultivate the work environment as best as possible to provide benefits and a comfortable atmosphere for employees. Based on [1], WBK is a predicate given to work units that have succeeded in building integrity zones through the implementation of a corruption prevention system and improving the quality of public services. The Corruption-Free Zone functions as a *cultural enforcement mechanism* that instills the values of anti-gratuity, transparency, and accountability in the work culture of the apparatus. Workplace culture tends to reinforce the idea that the work done now must be of higher quality than the work done later in order for future work to be of higher quality than it is now. WBK has the potential to be a mediating variable that transforms competencies and work environment into real integrity-based performance**.**

Literature Review

2.1 Employee Performance

According to [2], performance is a result achieved by employees in their work according to certain criteria that apply to a job. According to Handoko (2018), performance performance assessment is a process through which organizations evaluate or assess employee performance achievements. This activity can improve personnel decisions and provide feedback to employees about the implementation of performance.

2.2 Employee Performance Indicators

According to [2], performance indicators are tools to measure the extent of employee performance. Here are some indicators to measure employee performance:

1. Work quality can be described from the level of good and bad work results of employees in completing work as well as the ability and skills of employees in doing the tasks assigned to them.
2. Quantity is a measure of the number of unit work results and the number of activity cycles completed by employees so that employee performance can be measured through the number (units/cycles). For example, employees can complete their work quickly from the time limit set by the company.
3. Timeliness (Time) is the level of activity completed at the beginning of the stated time, seen from the point of view of coordination with the output results and maximizing the time available for other activities. Employee Performance can also be measured from the employee's punctuality in completing the work assigned to him. So that it does not interfere with other work that is part of the employee's duties.
4. Effectiveness here is the level of use of organizational resources (manpower, money, technology and raw materials) maximized with the intention of increasing the results of each unit in the use of resources. That in the use of resources, both human resources themselves and resources in the

form of technology, capital, information and raw materials in the organization can be used as much as possible by employees.

5. Independence is the level of a person who will later be able to carry out his work functions without receiving help, guidance from or supervisors. This means that employees who are independent, namely employees when doing their work, do not need to be supervised and can carry out their own work functions without asking for help, guidance from other people or supervisors.

2.3 Competencies

Competence according to [3], is the ability to carry out or perform a job or task based on skills and knowledge and supported by the work attitude demanded by the job.

2.4 Competency Indicators

According to [3], in his research, there are five indicators to measure competence (*self-esteem*), which are as follows:

a. Skills. In improving the performance of an employee or employee, one of the supporting factors is the skill level of the employee or employee itself.
b. Knowledge. Information or information that is known or realized by a person is knowledge is a variety of symptoms that are encountered and obtained by humans through reason that has been combined with understanding and the potential to act just as being able to inform.
c. Social roles. A behavior that is expected of an individual according to the social status he or she holds, so that the role can also function to regulate a person's behavior can be different when he or she holds a different status, social roles contain the rights and obligations of social status.
d. Self-image. Self-image is also the conclusion of our views in various roles as students, staff and managers or is our view of the personality character that we feel we have in us such as loyal, honest, friendly and judicious.
e. Attitude**.**Attitude is a reaction or response of a person who is still closed to a stimulus or object stating that attitude is a readiness or willingness to act and not the implementation of a specific motive.

2.5 Work Environment

According to [4], the work environment includes something that is around the employees so that it affects an individual in carrying out the obligations that have been assigned to him, such as the presence of air conditioning, good lighting and others. According to Fachrezi and Khair (2020), the work environment is a very important part of employees doing work activities.

2.6 Work Environment Indicators

According to [5], the indicators of the work environment are:

1. Facilities
2. Noise
3. Air circulation
4. Working relationship

2.7 Implementation of Corruption-Free Areas (WBK)

Corruption-Free Areas (WBK) is a bureaucratic reform predicate given to government work units that succeed in realizing the implementation of a clean, transparent, accountable, and free government from corruption, collusion, and nepotism practices. Based on the Ministerial Regulation of [6], and strengthened by the spirit of the [7]. WBK is not only an administrative status, but is a work culture of state apparatus that has high integrity, is oriented

towards public services, and has an anti-corruption commitment as a professional ASN identity. WBK is also a mechanism to strengthen the morale and commitment of ASN, because all employees in the WBK work unit are ethically bound to reject gratuities, maintain the integrity of public positions, and build public trust in government institutions.

2.8 Indicators of WBK Success in ASN

Indicators of the success of WBK Based on the Ministerial Regulation of [6] include:

1. Transparency of Public Services (access to information, open SOPs, no direct contact that has the potential for KKN).
2. Integrity of ASN in Service (exemplary, anti-gratuity, neutral and non-transactional attitude).
3. Efficiency and Accountability of Service Processes (use of digital systems and reporting of service delays).
4. Compliance with Gratification and Conflict of Interest Reporting (refers to ASN ethics and Government Regulation No. 94/2021 concerning ASN Discipline).
5. Public Participation and Complaint Mechanism (SP4N-LAPOR, call center, service satisfaction survey).

Research Methodology

3.1 Types of Research

According to [8], associative research aims to determine the influence or relationship between two or more variables

Research is the process of searching for evidence in a case with the aim of looking at the problem of an organization and fixing a problem with the research. The type of research is the form and procedure of research used, this study uses the type of associative and quantitative research this method is used in research that has 2 or more variables. This study was used to determine the influence of dependent and independent variables and their intervening variables

3.2 Research Location and Time

The research was conducted at the Class II Immigration Office of TPI Pematang Siantar. The population of this study is all civil servants who are active in the SKP Digital-based performance system and are in work units that have implemented the WBK program.

3.3 Population and Research Sample

According to [8], population is the sum of all objects or individual units observed in research. The population used in this study is all civil servants who work at the Class II Immigration Office of TPI Pematang Siantar as many as **60 employees,** the sampling technique according to [9], is a sampling technique, to determine the sample to be used. Therefore, the sample used as research material is all populations in the organization, namely 60 employees and the research technique used is a saturated sampling technique.

3.4 Data Collection Methods

According to [10], a questionnaire is a method of collecting data by providing questions and written statements to respondents to be answered.

3.5 Data Source

The data source used by the researcher is a primary data source where the data will be collected directly through a questionnaire. According to [10], primary sources are data that directly provide data to data collectors.

3.6 Data Analysis Methods

The data processing in this study uses smartPLS SEM (Partial *Least Square Structural Equation Modeling*) Software. PLS is able to explain the relationships between variables and perform analyses in one test.

In the statistical analysis of the data, the PLS method is used. The following is the analysis technique of the PLS method:

1. Analysis of the external model
2. Analysis of the inner model
3. Hypothesis testing

Results

4.1 Outer Model *Analysis*

Measurement model testing (outer model) is used to determine the relationship between latent variables and observational variables. These tests consist of convergent validity, discriminant validity, and reliability.

4.2 Convergent Validity

The validity results can be seen in the outer loading table in the SmartPLS software. The external loading table contains numbers or values that indicate the similarities between indicators and construct variables. An indicator is said to be reliable if it has a value of more than 0.7 in explaining the construct variable. An illustration of the structural model is depicted in a forthcoming image for this study.

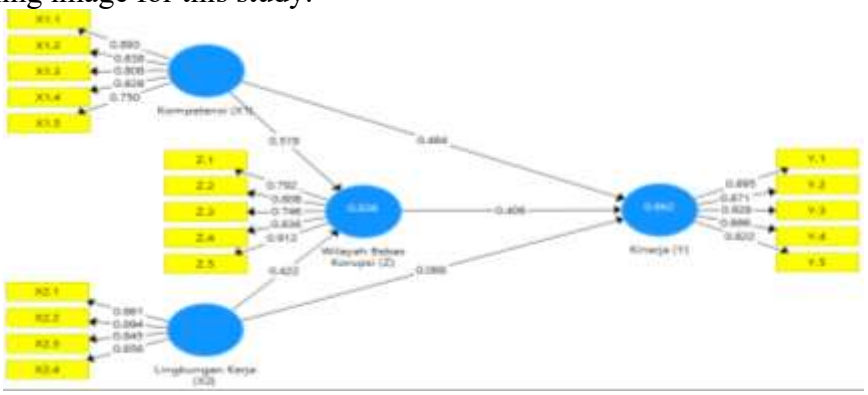

Figure 2. Outer Model
Source: Smart PLS 3.3.3

The Smart PLS output for the loading factor gives the results in the following table: Outer Loadings

In this study, there is an equation and the equation consists of two substructures

for substructure 1

Z = b1X1 + b2X2 + e1

Z = 0.519 + 0.422 + e1

For substructure 2

Y = b3X1 + b4X2 + b5Z + e2

Y = 0.484 + 0.066 + 0.406 + e2

4.3 Discriminant Validity

These results are used to assess the discriminant validity at the indicator level, where the indicator should have a higher correlation with latent variables compared to other latent variables (outside of the block.

Table 1: Discriminant Validity

	Performance (Y)	Competencies (X1)	Work Environment (X2)	Corruption-Free Region (Z)
X1.1	0,828	**0,893**	0,767	0,843
X1.2	0,820	**0,838**	0,740	0,706
X1.3	0,751	**0,808**	0,673	0,713
X1.4	0,719	**0,828**	0,784	0,744
X1.5	0,603	**0,750**	0,724	0,678
X2.1	0,720	0,744	**0,861**	0,757
X2.2	0,786	0,812	**0,894**	0,811
X2.3	0,783	0,796	**0,845**	0,814
X2.4	0,665	0,727	**0,856**	0,660
Y.1	**0,895**	0,867	0,865	0,935
Y.2	**0,871**	0,721	0,704	0,700
Y.3	**0,928**	0,810	0,754	0,829
Y.4	**0,886**	0,775	0,751	0,719
Y.5	**0,822**	0,809	0,690	0,745
Z.1	0,712	0,737	0,769	**0,792**
Z.2	0,676	0,722	0,774	**0,808**
Z.3	0,656	0,611	0,648	**0,746**
Z.4	0,758	0,730	0,671	**0,836**
Z.5	0,867	0,854	0,768	**0,912**

Source: Smart PLS 3.3.3

The Competency Variable (X1) has a loading factor value between 0.750–0.893, indicating that all indicators contribute strongly in describing the ability and quality of employees. The Work Environment variable (X2) shows a range of 0.845–0.894, which means that working conditions and atmosphere greatly affect employee behavior. The Performance variable (Y) has the highest value, which is 0.822–0.928, indicating that each indicator significantly represents the work results of employees. Meanwhile, the Corruption-Free Zone (Z) variable is in the range of 0.746–0.912, which confirms that the aspects of integrity, transparency, and anti-corruption work culture have been strongly reflected in the research instruments.

4.4 Composite Reliability

A construct is said to be reliable if the reliability value of the composite is equal to or exceeds 0.6. If the Coranbasch alpha value exceeds 0.7 then all constructs in the block are considered reliable for each variable construct. Furthermore, if the AVE value is higher than 0.7 then each variable construct is considered valid. The following table presents the load values of the research variable constructs obtained from the use of Smart PLS software.

Table 2 . Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Mean Variance Extracted (AVE)
Performance (Y)	0,928	0,945	0,776
Competencies (X1)	0,882	0,914	0,680
Work Environment (X2)	0,887	0,922	0,747

Corruption-Free Region (Z)	**0,877**	**0,911**	**0,673**

Source: Smart PLS 3.3.3

The Performance variable (Y) obtained the highest scores with Cronbach's Alpha 0.928, Composite Reliability 0.945, and AVE 0.776, indicating a very strong level of reliability. The Competency variable (X1) has values of 0.882, 0.914, and 0.680, indicating high reliability. The Work Environment (X2) variable was also very reliable with values of 0.887, 0.922, and 0.747, while the Corruption-Free Zone (Z) showed consistency with values of 0.877, 0.911, and 0.673. Overall, these results prove that all research instruments have met the criteria of convergent reliability and validity, so that they can be used consistently to measure each variable.

4.5 Inner Model *Analysis*

The assessment of the inner model is carried out to verify the stability and accuracy of the structural model made. Several indicators are used in the evaluation of structural models for the analysis stage.

4.6 Coefficient of Determination (R2)

The results of data analysis conducted using SmartPLS 3.0 software show the R Square value as follows:

Table 3. R Square Results

	R Square	Adjusted R Square
Performance (Y)	0,862	0,854
Corruption-Free Region (Z)	0,838	0,832

Source: Smart PLS 3.3.3

The R^2 value of Performance (Y) was 0.862 and the Adjusted R^2 was 0.854, which shows that the variables of Competency (X1) and Work Environment (X2) were able to explain the variability of Employee Performance by 86.2%, while the remaining 13.8% was explained by other factors outside the research model. This value belongs to the very strong category, which means that the model has a high ability to explain dependent variables. Meanwhile, the Corruption-Free Zone (Z) variable had an R^2 of 0.838 and Adjusted R^2 of 0.832, indicating that Competence (X1) and Work Environment (X2) were able to explain the variability of the Corruption-Free Zone by 83.8%, while 16.2% was influenced by other variables not included in the model.

4.7 Hypothesis Testing

The hypothesis analysis in this study used T-Statistics and P-Values. The hypothesis is considered acceptable if the T-Statistics value is > 1.96 and the P-Values is < 0.05. This is the output Path Coefficients of the direct influence:

Table 4. *Path Coefficients* (Direct Influence)

	Original Sample (O)	T Statistics (| O/STDEV |)	P Values	Results
Competency (X1) -> Performance (Y)	0,484	2,955	0,002	Accepted
Competence (X1) -> Corruption-Free Areas (Z)	0,519	3,661	0,000	Accepted
Working Environment (X2) - Performance > (Y)	0,066	0,489	0,313	Rejected
Work Environment (X2) -> Corruption-Free Areas (Z)	0,422	3,043	0,001	Accepted
Corruption-Free Zone (Z) - Performance > (Y)	0,406	2,829	0,002	Accepted

Source: Smart PLS 3.3.3

Based on the results of hypothesis testing through Partial Least Square (PLS) analysis, the following results were obtained:

1. Competency (X1) affects Performance (Y) with a *t-statistic* value of 2.955 and *a p-value* of 0.002, so the hypothesis is accepted. This means that employee competence has a positive and significant effect on improving employee performance.
2. Competency (X1) affects the Corruption-Free Zone (Z) with *a t-statistic* of 3.661 and *a p-value* of 0.000, so the hypothesis is accepted. This shows that employee competence plays an important role in encouraging the implementation of Corruption-Free Areas.
3. The Work Environment (X2) affects Performance (Y) with *a t-statistic* of 0.489 and *a p-value* of 0.313, so the hypothesis is rejected. This means that the work environment does not have a significant influence on employee performance.
4. The Working Environment (X2) affects the Corruption-Free Zone (Z) with *a t-statistic* of 3.043 and *a p-value* of 0.001, so the hypothesis is accepted. This means that a conducive work environment can increase the implementation of Corruption-Free Areas.
5. The Corruption-Free Area (Z) affects Performance (Y) with *a t-statistic* of 2.829 and *a p-value* of 0.002, so the hypothesis is accepted. This shows that the implementation of the Corruption-Free Zone has a positive and significant effect on improving employee performance

Table 5. *Path Coefficients* (Indirect Influence)

	Original Sample (O)	T Statistics (| O/STDEV |)	P Values	Results
Competencies (X1) -> Corruption-Free Areas (Z) -> Performance (Y)	0,211	2,542	0,006	Accepted
Working Environment (X2) -> Corruption-Free Areas (Z) -> Performance (Y)	0,171	1,735	0,042	Accepted

Source: Smart PLS 3.3.3

Based on the results of the indirect influence analysis, it was obtained that:

1. Competency (X1) affects Performance (Y) through the Corruption-Free Area (Z) with a *t-statistic* value of 2.542 and *a p-value* of 0.006. These results were accepted, which means that employee competence has a significant effect on performance through the mediation role of the Corruption-Free Area. In other words, the higher the competence of employees,

the better the implementation of the Corruption-Free Zone, which ultimately improves employee performance.

2. Work Environment (X2) affects Performance (Y) through Corruption-Free Areas (Z) with *a t-statistic* of 1.735 and *p-value* of 0.042. These results were also accepted, showing that the work environment has a significant indirect influence on employee performance through the Corruption-Free Area. This means that a good work environment can strengthen the application of anti-corruption values, which in turn has a positive impact on improving employee performance.

Conclusion

1. Competence has a positive and significant effect on Employee Performance, showing that the higher the competence that employees have, the better the performance produced.
2. Competence also has a significant effect on the Corruption-Free Area, which means that employees with high competence are better able to apply the values of integrity and a corruption-free work culture.
3. The Work Environment does not have a significant effect on Employee Performance, so the working environment conditions do not directly affect the work results of employees.
4. However, the Work Environment has a significant effect on the Corruption-Free Area, indicating that a good and conducive work environment can strengthen the implementation of integrity zones.
5. Corruption-Free Areas have a positive and significant effect on Employee Performance, which shows that the application of anti-corruption and integrity values plays an important role in improving performance.
6. Competence affects performance through the Corruption-Free Area. This means that the higher the competence of employees, the more effective the implementation of corruption-free areas, which ultimately has a positive impact on improving employee performance.
7. The work environment affects performance through the Corruption-Free Zone. This shows that a good work environment encourages the creation of a clean and corruption-free work culture, so that it can improve employee performance.

References

[1] Permenpan RB No. 10 Th 2019

[2] Robbins, S. P., & Judge, T. A. (2016). *Organizational behavior* (16th ed.). Pearson Education.

[3] Wibowo. (2017). *Manajemen kinerja* (5th ed.). PT RajaGrafindo Persada.

[4] Darmadi, D. (2020). *Pengaruh lingkungan kerja dan disiplin kerja terhadap kinerja karyawan pada Indomaret cabang Kelapa Dua Gading Serpong Kabupaten Tangerang.* JIMF (Jurnal Ilmiah Manajemen Forkamma), 3(3), 240–247**.** https://doi.org/10.32493/frkm.v3i3.5140

[5] Fachrezi, H., & Khair, H. (2020). *Pengaruh komunikasi, motivasi, dan lingkungan kerja terhadap kinerja karyawan pada PT Angkasa Pura II (Persero) Kantor Cabang*

Kualanamu. Maneggio: Jurnal Ilmiah Magister Manajemen, 3(1), 107–119. https://doi.org/10.30596/maneggio.v3i1.4834

[6] PAN-RB Nomor 90 Tahun 2021

[7] ASN Law Nomor 20 Tahun 2023

[8] Ghozali. (2016)*). Structural Equation Modeling Alternative Method with Partial Least Square (PLS).* Semarang: Diponegoro University.

[9] Sugiyono. (2016). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Alfabeta.

[10] Sugiyono. (2017). *Quantitative, Qualitative, and R&D Research Methods*. Bandung : Alfabeta, CV.

[11] Fachrezi, H., & Khair, H. (2020). *The Influence of Communication, Motivation and Work Environment on Employee Performance at PT. Angkasa Pura II (Persero) Kualanamu Branch Office. Maneggio*, Scientific Journal of Master of Management, 3(1), 107– 119. https://doi.org/10.30596/maneggio.v3i1.4834.

[12] Ferine, K. F., & Ermiati, C. (2020). The Effect of Motivation and Competence on the Performance of Employees of SMEs Fostered by Bank Sumut Kampung Baru Branch Medan Branch. *Liabilities (Journal of Accounting Education), 3*(2), 115–120. https://doi.org/10.30596/liabilities.v3i2.5587

[13] Hasibuan, Malayu S.P. 2016. *Human Resource Management*. Revised Edition. Jakarta: Publisher PT Bumi Aksara.

[14] Hussein, A.S. 2015. *Business Research and Management Using Partial Least Square (PLS) with smartPLS 3.0.* Faculty of Economics and Business, University of Brawijaya.

[15] Kasmir. (2019). *Human Resource Management (Theory and Practice).* Depok; Rajawai Press

[16] Marwansyah. (2016). *Human Resource Management*. Bandung: Alfabeta.

[17] Robbins, Stephen P. and Mary Coulter. 2016. *Management*, Volume 1 Issue 13, Translation: Bob Sabran and Devri Bardani P, Erlangga, Jakarta.

[18] Robbin and Judge. (2017). *Organizational Behavior 16th Edition*. Jakarta. Salemba Four.

[19] Samsudin, Sadili, 2015, *Human Resource Management*, Pustaka Jaya, Bandung.

[20] Wibowo. (2017). Performance Management. Fifth Edition. Depok: PT. Raja Grafindo Persada.