Strategy Model To Build Employee Discipline

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Abstract

Employee's discipline is an essential factor in achieving corporate objectives, however numerous managers are not able to adapt ideal leadership behaviour, reward and punishment to improve employee's discipline. Based on present study analysis, reward and punishment have a positive and significant impact towards the non-physical environment which could be seen from the positive result of coefficient value which is around 0.2165 with T-statistics more than 1.96 around 2.059. It can be concluded that punishment influences non-physical environment since it affects psychological condition of the employee. Besides, reward and punishment also play important role in improving employee discipline. Fair treatment of the manager in regard to reward and punishment depicts manager's ability to be objective in enforcing corporate regulations. The present condition creates a comfortable and stable environment for the employee in performing their duty. Non-physical working environment is based on four indicators which are: monitoring, working environment, reward and fair treatment. The indicators mentioned above influence positive and significant impacts toward work discipline. Corporate managers need to consider psychological characters of the employee in implementing reward and punishment scheme as the improvement to enhance discipline of the employee.

Keywords
Reward and punishment, non-physical work environment, employee discipline.

1   INTRODUCTION
Change is a significant process experienced by a corporate to survive in the competitive market environment. (Kanter & Mirvis, 1989) defines change as past analysis process which is shaped to be a stepping stone required for the future. In order to achieve this goal, the corporate leaders should sustain their existence in the business world by initiating changes that have a constructive impact on improving the quality and productivity of employees.
That every change that occurs within an organization is a dynamic movement projected to maintain its balance(Torang, 2013). Changes which take place in Human Resources Management environment are tendencies which cover workforce diversity, technology, globalization, and shifting in work and position (Dessler, 2011). Thus, to achieve success and sustainability of a business, leaders must preserve and advance the capabilities of human resources as a company asset, as well as maintain employees' discipline. Leaders should also embrace other vital functions of understanding the problems encountered by their subordinates as well as comprehending their feelings while facing that problem, colleagues, and work environment (Terry & Rue, 2010). Therefore, a leader must own a competence or knowledge (in terms of managerial and strategy), a positive behavior, capability to influence or direct others, accountable decision, good manner in ideas delivery, fine judgment in encouraging and motivating, and

ability to build personal approach (human relation) to their subordinates (Gibson, Ivancevich, & Donnelly, 1996). According to (Terry & Rue, 2010), the key of leadership lies on the degree of a group's trust toward its leader and the willingness to follow leader's instructions. A leader must be able to build mutual relationships with employees so that the corporate will run well and able to achieve its goals. The concept of exchange and reciprocity has been widely discussed in the organizational context, specifically in a relationship between employees and companies. In return for employee's service for the corporate, employers should take care of them (Cropanzano, Howes, Grandey, & Toth, 1997). In line with that opinion, (Chandrasekar, 2011) believes that the attitude of employees in work environment is influenced by interpersonal relations, feeling, supervisory and work environment. Similarly (Lohela-Karlsson, Hagberg, & Bergström, 2015) study finds that unfair leadership is one of a cause of the problem in a psychosocial working environment. In that sense, a leader must be able to build a corporate culture in planning a corporate management strategy. According to Chen (Chen, 2004), a corporate culture has a noteworthy effect on employees' responsibilities and commitments to their organizations. Leaders' direct attitudes and behaviors will affect employees' responsibilities and commitments and shape their interacting behavior which, eventually, creates a corporate culture.

Hence, the groundwork of human resource strategy must be relevant to the preparation of business strategy (Schuler & Jackson, 1997). Similarly (Dessler, 2011) affirms that strategic planning is the method employed by a corporate to compare its internal strengths and weaknesses toward opportunities and external threats in order to sustain its competitive strategy. The essence of strategic planning, such as corporate current business position, its location, and the strategy to manage competition, should be comprehended thoroughly. Leaders must specifically formulate strategies dealing with human resources and others to manage current corporate position through different approach. The strategic role of human resources as the outcome of the repositioning process is expected to contribute significantly in business strategy planning (Napier & Gershenfeld, 1993).

In Denpasar, Bali and its surrounding zones, the numbers of hotels, villas, resorts that have been growing every year have become favorite destination for domestic and foreign tourists. The hotels, as service provider, is a business that presents tourists a temporary accommodation with various services to support their tours. The services provided by employees are strongly influenced by employee's work satisfaction. Furthermore, work environment as place for employees to perform their routine duties is labeled as 'satisfying' if those responsibilities are carried out maximumly, safely, healthily and comfortably. According to (Supardi, 2003) work environment is physical and non-physical environment around the workplace that provide excitement, safety and comfortableness in performing the job. If the working environment is safe and comfortable, and communication among employees is fluent, it can be ascertained that the resulting performance will be effective. Work environment conditions and situations also impact employee's discipline. (Andriyani, 2010) in her study, finds that work environment contributes a significant and positive effect. Thus, it can be concluded that a good working environment will shape employees' discipline in a company. (Vaden, 2004) conducts a study in United States by taking samples from cross-company employees . His study displays that punishment stimulates catcall and unfair treatment from the manager. Therefore, a favorable working environment is a form of non-financial reward (Mbah, Mgbemena, & Ejike, 2015)

A good working environment that will foster employee discipline and employee's discipline is very important in achieving company goals. A high work discipline is expected to increase employees' performance which eventually affects corporate accomplishment. The absence of this element will hinder a corporate to achieve optimal results. Quality of employees' discipline reflects the level of one's responsibility to their duties. Based on the employee attendance data of Inna Sindhu Beach Hotels, Resort and Meeting 2015, employee absenteeism rate is 0.13% and working hour violation rate is 3.67%. According to (Kuna, 2001), employee absenteeism rate is in a good company level, ranges from 2 to 3%.The percentage result of employee absenteeism rate of Inna Sindhu Hotels, Resort and Meeting is fairly good, however there is indications that employees' discipline is lacking. It is proven by the sum of late attendance of the employees which amounted to approximately 40 employees per month. This shows the lack of employees' compliance to the management regulation and work punctuality. Based on the results of the previous study that points out a research gap and interviews with Manpower Manager of Inna Sindhu Beach Hotels, Resort and Meeting, reveals these following facts: 1) Lack of work discipline are seen from employees' compliance of office hours, based on data and information obtained, there are nearly 40 late employees per month, 2) Lack of sense of responsibility for their assigned duties, 3) Capability of leaders in providing guidance for employees who commit violations, 4) Less effective reward and punishment system to improve employee's discipline. Equally, (Wyk & Pelser, 2014) in this study suggests that the influential factor on effective discipline is leadership.

2   METHOD

This study aims to explain the causal relationship among variables through hypothesis testing with partial least squares path modeling (PLS-SEM) analysis technique. PLS-SEM is often called variance or component-based structural equation modeling which aims to test the predictive relationship among constructs by looking at the relationship or influence among them. In this study, the population taken as sample is employees of Inna Sindhu Beach Hotels, Resort and Meeting.

The range of sample used for PLS-SEM model does not require large samples. the number of samples taken in this study is as many as 100 employees(Ghozali, Imam, 2015). Research time started in January 2017 until November 2017. The data is collected through questionnaires, and then it is processed with measurement scale and scoring. The measurement scale used in this research is Likert scale 1 - 4. The analysis tool employed to test the hypothesis of data is SmartPLS ver 3.0 statistical package. The stages of analysis using PLS-SEM, are at least going through five processes, namely conceptual model, determining algorithm analysis method, determining resampling method, drawing path diagram and model evaluation(Ghozali, Imam, 2015). Each stage will affect the next stage. Hypothesis testing is completed by calculating the coefficient value of the path or inner model which indicates the significance level of testing the hypothesis. The coefficient value of path or inner models which is indicated by T-statistic should be above 1.96 (Hair, Anderson, Tatham, & Black, 1995).

3   RESULT AND DISCUSSION

Based on the results of the validity test in table 1 all the indicators on the X1 variable (leadership style) and X2 variable (reward and punishment) have corrected total correlation value of greater than 0.30 where the value of coefficient achievement is considered to have a distinguishing power is quite satisfactory or is considered valid(Ghozali, Imam, 2015).

Similarly for the reliability test in table 2 shows all the indicators in the X1 (leadership style) and X2 (reward and punishment) variables are reliable because the resulting Cronbach's alpha value is more than 0.60(Ghozali, Imam, 2015).

Table 1: Validity test X Variable

Item	Corrected item total correlation
x1.1.1	0.385
x1.1.2	0.567
x1.1.3	0.488
x1.2.1	0.474
x1.2.2	0.593
x1.2.3	0.541
x1.3.1	0.337
x1.3.2	0.582
x1.3.3	0.579
x1.4.1	0.315
x1.4.2	0.468
x1.4.3	0.530
x2.1.1	0.402
x2.1.2	0.722
x2.1.3	0.479
x2.2.1	0.503
x2.2.2	0.547
x2.2.3	0.556
x2.3.1	0.469
x2.3.2	0.699
x2.3.3	0.502
x2.4.1	0.403

x2.4.2	0.561
x2.4.3	0.443
x2.5.1	0.469
x2.5.2	0.521
x2.5.3	0.489

Table 2: Reliability test X Variable

Item	Corrected item-total correlation
Directive	0.607
Supportive	0.680
Participatory	0.679
Achievement orientation	0.618
Salary / incentive	0.673
Career development	0.701
Psychological rewards	0.699
Punishment Prefentif	0.611
Punishment Represif	0.624

Based on the result of validity test in table 3 it can be explained that all the indicators on Y1 variable (non working physical environment) and Y2 variable (work discipline) is valid because all indicators can measure what to measure measuring non working physical environment because corrected item value its total correlation is greater than 0.30.

Table 3: Validity test Y Variable

Item	Corrected item-total correlation
y1.1.1	0.437
y1.1.2	0.784
y1.1.3	0.494
y1.2.1	0.585
y1.2.2	0.805
y1.2.3	0.577
y1.3.1	0.493
y1.3.2	0.627
y1.3.3	0.471
y1.4.1	0.458
y1.4.2	0.397
y1.4.3	0.533
y2.1.1	0.314
y2.1.2	0.556
y2.1.3	0.697

y2.2.1	0.333
y2.2.2	0.623
y2.2.3	0.624
y2.3.1	0.434
y2.3.2	0.672
y2.3.3	0.827

Table 4: Reliability test Y Variable

Item	Corrected item- total correlation
Supervision	0.702
Work atmosphere	0.797
Rewards	0.686
Fair treatment	0.647
Absence / attendance	0.675
Carry out duties and obligations	0.693
Work according to procedure	0.791

Based on the results of reliability test in table 4 it can be explained that all the indicators on the variable Y1 (non-physical work environment) and Variable Y2 (work discipline) is reliable because the value of cronbach's alpha generated more than 0.60.
Based on the path diagram in this study, the system of equations can be formulated as figure 1.
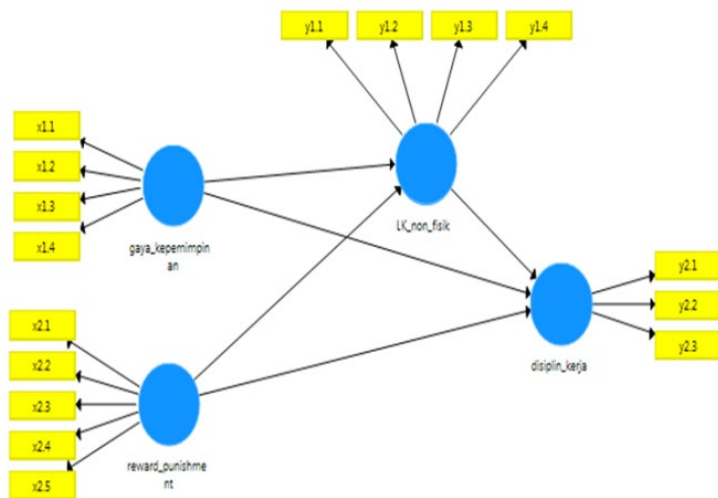

Figure 1: Path Diagram

For Based on path diagram in this study, the system's full equations model are as follows:
$Y1 = 0,416 \ + 0,217 \ + \zeta1$
$Y2 = 0,391 \ + 0,199 \ + 0,128 \ + \zeta2$
The obtained structural model shows that the relationship between Y1 (non-physical work environment) with X1 (leadership style) is 0.416. While the loading value between Y1 (non-physical work environment) with X2 (reward

and punishment) is 0.217; as for X1 (leadership style) with Y2 (employee discipline) is 0.199 and for X2 (reward and punishment) with Y2 (work discipline) is 0.128; and for Y1 (non-physical work environment) with Y2 (employee's discipline) is 0.391.

Table 5: R Square Value

Variables	R Square
Non-physical work environment	0.2937
Work discipline	0.3472
Average	0.3205

Table 5 shows that the influence of leadership style and reward and punishment on non-physical work environment is 29.37%, while the influence of leadership style, reward and punishment, and non physical work environment to work discipline is 34.72%. Based on the R-sq value in each variable, the obtained average value is 0.3205, in which the model in this study is categorized as moderate. The communality average is 0.6078 while the recommended one should be 0.50 and the average of R-sq is 0.3205, so GoF value which is produced is 0.441 and it is categorized as large.

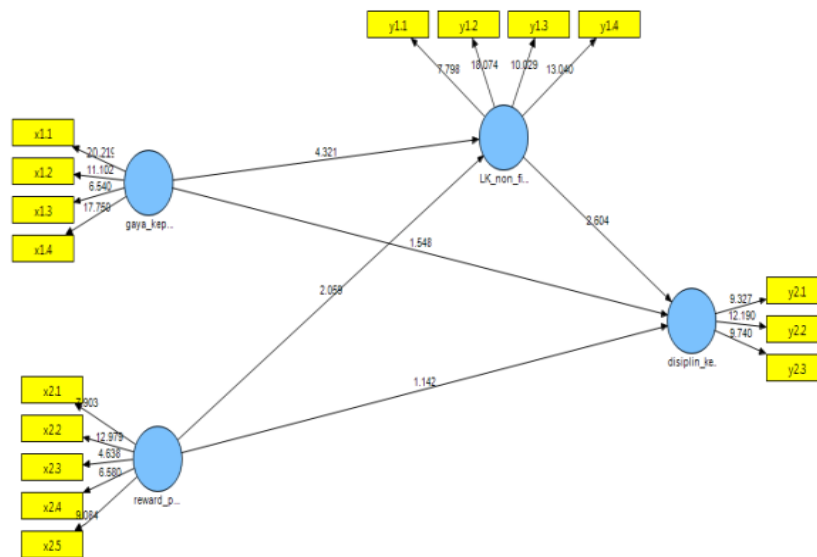After the bootstrapping process the path diagram is shown in figure 2.

Figure 2: Path Diagram after *Bootstrapping*

Table 6: Significant influence test among variables

	Original Sample (O) and T Statistics (|O/STERR|)
Leadership style -> work discipline	0.1990 and 1.5477
Reward & punishment -> work discipline	0.1279 and 1. 1416
Non-physical environment -> work discipline	0.3913 and 2.6044
Leadership style -> Non-physical environment	0.4160 and 4.3205

Reward & punishment -> Non-physical environment	0.2165 and 2.0594

The Table 6 presents the influence of leadership style to shape work discipline has a positive result of coefficient value which is around 0.1990 with T-statistics less than 1.96 that is equal to 1.5477. It explains that leadership style has no significant effect on work discipline. Table 6 also displays the influence of reward and punishment on work discipline has a positive result of a coefficient value which is around 0.1279 with T-statistics less than 1,96 that is equal to 1,1416. It describes that reward and punishment have no significant effect on work discipline. After that the non-physical work environment has a positive and significant effect on work discipline as it is seen from a coefficient value which is 0.3913 with T-statistics more than 1.96 that is equal to 2.6044. Leadership style has a positive and significant effect on non-physical work environment as it is seen from a coefficient value which is 0.4160 with T-statistics more than 1.96 that is equal to 4.3205. Reward and punishment also have a positive and significant effect on non-physical work environment as it is seen from a coefficient value which is 0.2165 with T-statistics more than 1.96 that is equal to 2.0594. Although leadership style is admitted to be running well, the results of the analysis prove it contrary, in which leadership style has no significant effect on work discipline. Of the overall statement items of leadership style, it appears that the statement which says that leaders always supervising subordinates who have the lowest score of 2.74, and then the statement of leader expecting subordinates to comply with the corporate regulation receives a score of 2.98. These two facts, the lack of supervision from leaders and the leaders' expectations for subordinates to comply with the corporate regulation, are related to work discipline, which means the solid actions of leaders are expected so that subordinates will always follow all company's applicable regulations.

Judging from work discipline variables, specifically on duties and obligations accomplishment indicator, the statement item which states following the instruction /command of leader obtained the lowest score that is equal to 2.80. Non-physical work environment indicator with statement item that says work is supported by environment score the highest of 3,20. A good, positive, and warm working environment will indirectly affect the behaviour of an organization. Furthermore, in a good environment, employees also feel a satisfaction that potentially improves their positive contribution as expected by the company, mainly in obeying all applicable policies and regulations.

From the research, it is found that leadership style has a significant effect to work environment. The role of leader in the work environment is expected to be a role model for every subordinate. Leaders provide oversight of subordinates performance. The research indicates that the participative leadership style indicator has the highest score of other leadership style indicators that is 3.22. This leadership style involves subordinates in formulating a solution and policies in the company. From the analysis result, it can be seen that reward and punishment variable have a positive and significant effect to the non-physical working environment variable as it is seen from a coefficient value that is 0.2165 with T-statistics more than 1,96 that is equal to 2,0594. This is supported by research conducted by(Vaden, 2004) which affirms the result that the punishment stimulates catcall and unfair treatment from the manager. It can be concluded that punishment has an effect on non-physical environment because it affects employee's psychology. According to (Rivai, 2005) Reward and punishment is method that is both, liked and hated by employees.(Ching, 2012) His study argues that Reward and punishment has a positive discipline effect.

4   CONCLUSIONS

In order to improve the non-physical working environment and work discipline, the strategic model that are able to be applied are:

- The appliance of participative leadership style by involving employees in formulating company rules.
- The establishment of a good, positive, comfortable and safe working environment with rules enforcement through an effective reward and punishment system.
- The application of reward mechanism is based on employees favored preference they are 1. clear career development, 2 psychological rewards, such as praise, 3.The reward of salary / bonus / incentives should be al least equivalent to the received payment.
- Meanwhile, punishment method should be executed based on the employee detested penalty, such as 1. Repressive punishment stages e.g: reprimanding, warning and suspension. 2. Preventive punishment in the form of socialization of regulations, appeals and threats.
- Establishment of work environment through regularity of employees in carrying out duties and obligations in accordance with the applicable company regulations..

ACKNOWLEDGEMENTS

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