

## THE EFFECT OF FEE AND MOTIVATION ON CORRUPTION ERADICATION USING KPK PERFORMANCE AS THE INTERVENING VARIABLE

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### ABSTRACT

*This research aims to find out the effect of fee and motivation on the eradication of corruption. Rewarding or giving fees has been set in Government Regulation Number 43 of 2018 concerning procedures for involving community participation and awarding in the prevention and eradication of criminal acts of corruption. Based on the Government Regulation No. 43 of 2018, those who provide information to law enforcers regarding allegations of corruption will get awards in the form of charter and premiums, or also called fees / rewards, ranging up to a maximum of IDR 200 million. In addition, certain motivation will also influence community to play a role in eradicating corruption. This research uses qualitative data or primary data obtained through questionnaires distributed to the public, economic observers, and practitioners. Data testing is done using Data Path analysis with Smart PLS. The number of valid and reliable sample data to be analyzed is as many as 40 samples. The results of this research show that fees / rewards have a positive and significant effect on corruption eradication. Motivation has a negative and not significant effect on corruption eradication. The variable of fees / rewards has a positive effect on corruption eradication mediated by the KPK performance. Motivation has a negative effect on corruption eradication mediated by the KPK performance. In this digital era, with super-sophisticated technology, the millennial generation has a very critical mindset in assessing the performance of the KPK. The Corruption Eradication Commission (Indonesia: Komisi Pemberantasan Korupsi / KPK), however, can provide confidence to the public that the community participation will make it easy for the KPK to carry out its work.*

*Keywords: Fee, Motivation, Eradication of Corruption, KPK Performance*

### 1. INTRODUCTION

Corruption is a threat to our beloved country. It is like a dangerous disease that must be immediately eradicated to its roots, otherwise this country will collapse. Corruption seems to have become a habit and tradition in Indonesia, and it is like "illegitimate inheritance" without legal document. Corruption continues to run and run even though it violates the law.

There are many laws that address the issue of corruption, but sometimes the rules and laws are only writing on a paper.

Corruption can be interpreted as a crime, decay, people who can be bribed, immoral nature, depravity of behavior, and dishonesty of a person. In terminology, corruption is a foul act, including embezzlement of money, misuse of the budget from the government that should

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be used for the poor, receiving bribes, embezzlement of certain assets belonging to the government, and others.

Corruption is always a hot topic and becomes a byword among the people, such as community leaders, students, teachers, and even children. Corruption occurs not only in the millennial era of the all-digital industry 4.0, but also in ancient times. In ancient times, some great kingdoms in Indonesia collapsed because the kings and royal officials cheated and acted unfairly and even seized people's property.

The latest phenomenon is the arrest by the Corruption Eradication Commission (Indonesia: *Komisi Pemberantasan Korupsi / KPK*) in a corruption case involving members of the House of Representatives Commission VI from the Golkar Faction, Bowo Sidik Pangarso and his friends (Idung and Asty) as bribery suspects related to the implementation of fertilizer transportation cooperation between PT Pupuk Indonesia and PT Humpuss Transportasi Kimia. The KPK suspected that Bowo Sidik was collecting money to bribe in the 2019 election. KPK Deputy Chairman Basaria Panjaitan revealed the chronology of the arrests of the eight people. The KPK team first arrested the Marketing Manager of PT Humpuss Transportasi Kimia, Asty Winasti, and the employee of PT Inersia, Idung, on Wednesday afternoon (3/27). The KPK team only arrested Bowo around 02.00 a.m., at his home. Bowo was immediately taken to the KPK headquarters to undergo further examination.

*"The KPK received information that Asty would hand over money to Idung at the PT Humpuss Transportasi Kimia Office, Granadi Building, Jalan HR Rasuna Said. Idung was thought to have received IDR 89.4 million. It was suspected that the transfer of money was the realization of the seventh receipt which had been a prior commitment,"* Basaria said at a press conference at the KPK Building, Jakarta, Thursday (3/28). Because it was suspected that previous receipts were done at a location in Jakarta, the team moved headed to an office in Jakarta to

secure around IDR 8 billion in cash. The KPK found IDR 20,000 and IDR 50,000 denominations divided into 84 boxes. Documentation of the case of Red-Handed Arrest Operation conducted by the KPK against Bowo is shown in Figure 1.

**Figure 1. KPK Secured 84 Boxes Containing IDR 20,000 and IDR 50,000 Denominations from Bowo Sidik in Red-handed Arrest Operation.**



Source: CNN news

The red-handed arrest operation above was carried out by KPK officers themselves. The Corruption Eradication Commission (KPK) will also provide fees or rewards if there is a role for the community in helping to alleviate the work of the KPK. Those who report to the Corruption Eradication Commission regarding corruption allegations will be given a fee / reward if the report meets the applicable terms and conditions set out in government law. The Government has issued Government Regulation No. 43 of 2018 concerning the procedures for implementing public participation and giving awards in the prevention and eradication of criminal acts of corruption. With the Government Regulation (PP) No 43/2018, people who provide information to law enforcement regarding allegations of corruption will receive fees or reward in the form of a charter and a maximum premium of IDR 200 million. However, there are conditions that must be met to get the maximum amount of prizes. Article 17 paragraph (1) of the Government Regulation 43/2018 states that the amount

of the premium is given at two permium or 0.2 % of the total financial loss that can be returned to the state.

Fee or reward is given by the KPK as a gift or an appreciation. Fee / reward can be a magnet that attracts the interest of the community to help the work of the KPK. In addition, motivation can also influence the interest of the community to help the KPK. According to Minister of Religion Lukman Hakim Saifuddin (2016), at least there is motivation that underlies someone to fight against corruption. The first motivation is because of fear of sanctions and threats. Some do not commit corruption because of fear of threats, fear of sin, torture, and so on.

Another motivation is because they want to get a reward. By not committing corruption, I will receive a reward and therefore I will receive good and positive things. Apart from reward and sanctions, the Minister of Religion says that there is a higher motivation, that is, the awareness to spread goodness. Motivation of awareness not only departs from self-interest, but also from a greater interest for the benefit of society, nation and state. In addition to fee / reward and certain motivation, the Corruption Eradication Commission (KPK) also urgently needs the support of the Indonesian people in handling Corruption. The support from the people shows the existence of trust to the KPK as an authorized institution in handling corruption cases. Trust has aspects of integrity, competence, consistency, loyalty, and openness. One of the determinants of trust is the performance of the KPK in handling corruption.

Based on the description above, the problems are formulated as follows:

- a. Does fee have a significant effect on corruption eradication?
- b. Does motivation have a significant effect on corruption eradication?
- c. Does fee have a significant effect on corruption eradication through KPK performance?
- d. Does motivation have a significant effect on corruption eradication?

## **2. LITERATURE REVIEW AND HYPOTHESIS**

In the Maslow's Hierarchy of Needs Theory (1970), there is a theory that relates to the Need for Respect for Humans. Humans will always pursue the need for appreciation, such as respect for others, status, fame, reputation, attention, and so on. According to Maslow, the need for appreciation is also divided into two levels, namely low level and high level. Low level of need includes the need to respect others, the need for status, fame, reputation, attention, appreciation, dignity, and dominance. High level of need includes the need for self-esteem such as feelings, beliefs, competencies, achievements, mastery, independence, and freedom.

This need is closely related to the need for self-esteem. KPK will provide fees / rewards and a variety of awards for the public who are able to help the KPK in eradicating corruption. This will make the community have self-esteem with the award in the form of a charter or fee. They will feel proud to help the KPK and automatically the need for appreciation is met.

## **3. METHODS**

### **Research Sample and Data**

Sampling is conducted using purposive sampling technique. This is a technique for determining research samples with certain considerations aimed at making the data obtained more representative. Sampling using purposive sampling method, according to Sugiono (2014), is a sampling method in accordance with research objectives with certain data criteria based on the needs of the research variables.

The number of samples used in this study is 40 respondents consisting of community group, economic observers, practitioners from various professions, and experienced auditors. The data used are qualitative data obtained through questionnaire dissemination method. Data are processed using smart PLS software version 3.2.8.

### **Analysis Technique**

The analysis techniques used in this



study are validity analysis and reliability analysis including testing the influence of intervening variable. Finding out the direct and indirect effects is conducted using the smart PLS software version 3.2.8 in the hope that it will help solve the problem formulation.

### Previous Research

The results of research conducted by Rafi Jody Kurnia (2016) with the title "*Pengaruh Kompensasi Dan Motivasi Kerja Terhadap Kinerja Karyawan Rumah Sakit Condong Catur Yogyakarta*" (The Effect of Compensation and Work Motivation on Employee Performance in Condong Catur Hospital Yogyakarta), show that compensation and motivation have a positive effect on employee performance in Condong Catur Hospital Yogyakarta.

The results of research conducted by Ni Made Nurcahyani and Dewi Adnyani (2016) with the title "*Pengaruh Kompensasi Dan Motivasi Terhadap Kinerja Karyawan Dengan Kepuasan Kerja Sebagai Variabel Intervening*" (The Effect of Compensation and Motivation on Employee Performance with Job Satisfaction as Intervening Variable", show that compensation has a positive effect on job satisfaction, motivation has a positive and significant effect on job satisfaction, compensation has a positive and significant effect on employee performance, motivation has a positive and significant effect on employee performance, job satisfaction has a positive and significant effect on employee performance, and job satisfaction mediates the effect of compensation and motivation on employee performance.

The results of research conducted by Hesti Maheswari and Lulu Rehande Lutvy (2015), with the title "*Pengaruh Kompensasi Dan Motivasi Terhadap Kinerja Karyawan PT. Bank Ekonomi Raharja Tbk Area Jakarta 5*" (The Effect of Compensation and Motivation on Employee Performance of PT. Bank Ekonomi Raharja Tbk Area Jakarta 5). The results of the study indicate that simultaneously, compensation and motivation have an effect on Employee

Performance. Partially, compensation has an effect on employee performance, while motivation has no effect on employee performance.

### HYPOTHESIS

H1: Fee has a significant effect on corruption eradication.

H2: Motivation has a significant effect on corruption eradication.

H3: Fee has a significant effect on corruption eradication through KPK performance.

H4: Motivation has a significant effect on corruption eradication through KPK performance.

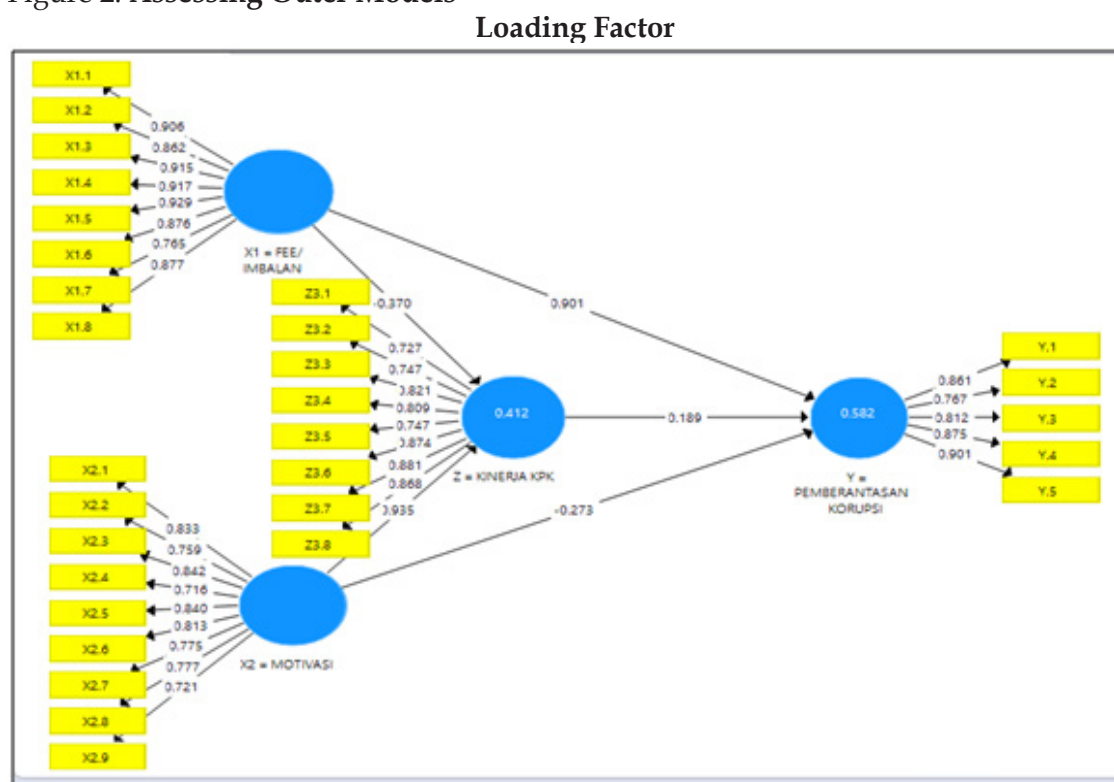
### 4. RESULT AND DISCUSSION

The samples used in this study are 55 respondents, but the number of samples that meet the criteria is 40 respondents. Researchers use qualitative data or primary data obtained using questionnaires distributed to the community, economic observers and practitioners. Sampling is done using purpose sampling method, which is the technique of determining the sample with certain considerations. Likert scale is used measure the subject's response into 5 (five) points.

Analysis of the data used in this study is Partial Least Square (PLS) with the following results as shown in Figure 2.

Validity testing for reflective indicator is done using correlation between item score and its construct. An indicator is declared valid if it has a loading factor value above 0.5. Figure 2 above shows that the loading factor gives a value above the recommended value. This means that the indicator used in this study is valid or can be said to have fulfilled convergent validity. The next step is discriminant validity testing with cross loading. An indicator is declared valid if it has the highest loading factor to the intended construct compared to the loading factor to other constructs. In this research, it can be seen that the loading factor value of an indicator is higher than the other constructs, as illustrated in Table 1.

Figure 2. Assessing Outer Models



Source: Processed smart PLS

Reliability test is done by looking at the composite reliability value of the indicator block that measures the construct. The result of composite reliability test shows a satisfactory value or above 0.7. In this research, composite reliability value is higher than 0.7. So, it can be said that all constructs meet the existing criteria. To strengthen the reliability test, testing is done using Cronbach's Alpha and Average Variance Extracted (AVE). The recommended value is above 0.6. Table 1 above shows that the Cronbach's Alpha value for all constructs is above 0.6. The average value of variants ranged from 0.621 to 0.778. The adjusted R Square value shows the ability of exogenous variables to explain endogenous variables. The ability of the variables of fee and motivation to explain Corruption Eradication is 54.70%, while the remaining is explained by other variables outside the model. The ability of the variables of fee, motivation, and KPK performance to explain corruption eradication in the KPK is 38%, while the

remaining is explained by other variables outside the model.

Out of 5 pathways in the inner model, 3 pathways are statistically insignificant, such as fee toward the KPK performance, motivation toward corruption eradication, and the KPK performance toward corruption eradication where ( $t < 1.96$ ), as illustrated in Table 2.

Statistical test of X1 toward Y shows that the relationship between fee and corruption eradication is not significant with T-statistic value of 4.765 ( $> 1.96$ ). The original sample estimate value is positive at 0.901 which shows that the direction of the relationship between fees and corruption eradication is positive and the result is significant. This means that fee has a significant effect on corruption eradication.

Statistical test of X2 toward Y shows that the relationship between motivation and corruption eradication is significant with T-statistic value of 1.757 ( $< 1.96$ ). The original sample estimate value is negative

Table 1. Results of Outer Model

	<i>Composite reliability</i>	<i>R<sup>2</sup></i>	<i>AVE</i>	<i>Cronbach's Alpha</i>
X1 = Fee	0.966		0.778	0.959
X2 = Motivation	0.936		0.621	0.924
Y = Corruption Eradication	0.925	0.547	0.713	0.898
Z = KPK Performance	0.939	0.380	0.658	0.926

Source of data: Processed smart PLS

Table 2. Assessing Structural Model (Inner Model)

<b>Results of Inner Model</b>						
		<i>Original Sample</i>	<i>Sample Mean</i>	<i>Standard Deviation</i>	<i>T - Statistic</i>	<i>P Values</i>
X1	Y	0.901	0.855	0.189	4.765	0.000
X1	Z	-0.370	-0.365	0.210	1.757	0.080
X2	Y	-0.273	-0.239	0.255	1.070	0.285
X2	Z	0.935	0.944	0.201	4.645	0.000
Z	Y	0.189	0.194	0.163	1.162	0.246

Source: Processed data smart PLS

at -0.273, which indicates that the direction of the relationship between motivation and corruption eradication is negative or opposite and not significant

Statistical test of X1 toward Z and Z toward Y shows that the relationship between fee and KPK performance is not significant with T-statistic value of 1,757 (<1.96). The original sample estimate value is negative at -0,370, which shows that the direction of the relationship between fee and KPK performance is negative and not significant. The relationship between KPK Performance and corruption eradication is insignificant with T-statistic value of 1.162 (<1.96). The original sample estimate value is positive at 0.189 which shows that the direction of the relationship between fee and KPK performance is positive but not significant.

Direct and indirect effects of fees on corruption eradication through KPK performance can be calculated as follows:

Direct effect = 0.901 or 90%

Indirect effect =  $-0.370 \times 0.189 = -0.070$  or -7%

Total influence = 0,831 or 83%

The result of the total effect is positive but significant. This means that fee has an effect on corruption eradication through KPK performance but it is weak. This is because fee has a significant and positive effect, while the KPK performance has negative and insignificant effect on corruption eradication. Fee has positive but insignificant effect on KPK performance. The results are in line with the results of research conducted by Rafi Jody Kurnia (2016) that compensation and motivation have a positive effect on the performance of employees of Condong Catur Hospital, Yogyakarta. The result of research conducted by Ni Made Nurcahyani and Dewi Adnyani (2016) shows that compensation has a positive effect on job satisfaction. The result of research conducted by Hesti Maheswari and Lulu Rehande Lutvy (2015) shows that compensation has an effect on employee performance simultaneously.

The statistical test of X2 toward Z and Z toward Y shows that the relationship between motivation and KPK performance is significant with T-statistic value of 4.645 (> 1.96). The original sample estimate

value is negative at -0.935 indicating that the direction of the relationship between motivation and KPK performance is positive and significant. The relationship between KPK performance and corruption eradication is insignificant with T-statistic value of 1.162 ( $<1.96$ ). The original sample estimate value is positive at 0.189 which shows that the direction of the relationship between fee and KPK performance is positive but not significant.

The direct and indirect effects of fees on corruption eradication through KPK performance can be calculated as follows:

Direct effect =  $-0.273$  or  $27.3\%$

$$\text{Indirect effect} = 0.935 \times 0.189 = \underline{0.177}$$

or 17.7%

Total effect = - 0.096 or - 9.6%

The result of the total effect is negative but not significant. This means that motivation has no effect on corruption eradication through KPK performance. This is because the direct influence of motivation is not significant and positive. The KPK performance has a negative and insignificant effect on corruption eradication, but motivation has positive

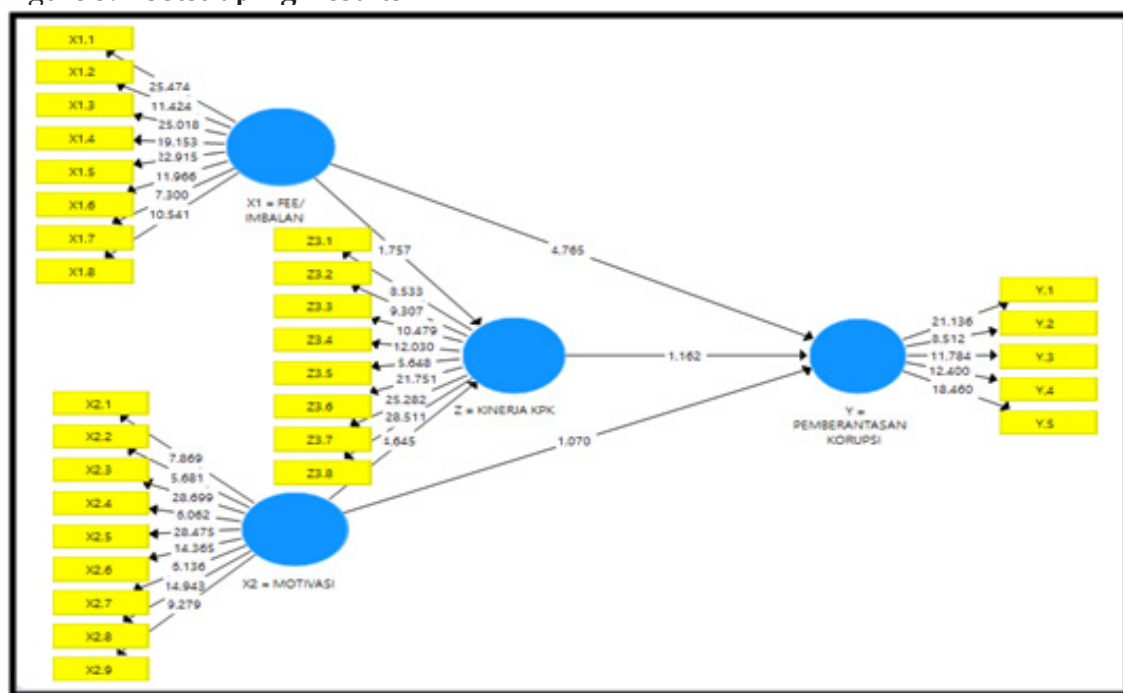
and significant effect on the KPK performance. These results are in line with the results of the research conducted by Rafi Jody Kurnia (2016) that motivation has a positive effect on the performance of employees of the Condong Catur Hospital, Yogyakarta.

The result of research conducted by Ni Made Nurcahyani and Dewi Adnyani (2016) shows that motivation has a positive and significant effect on employee performance. The result of research conducted by Hesti Maheswari and Lulu Rehande Lutvy (2015) shows that motivation has an effect on employee performance simultaneously. Partially, compensation has an effect on employee performance, while motivation has no effect on employee performance. Bootstrapping results are illustrated in Figure 3.

## 5. CONCLUSION

Statistical test of X1 toward Y shows that the relationship between fee and corruption eradication is not significant with T-statistic value of 4.765 ( $> 1.96$ ). The original sample estimate value is positive at

### Figure 3. Bootstrapping Results



Source: Processed data smart PLS



0.901 which shows that the direction of the relationship between fee and corruption eradication is positive and the results are significant. This means that fee has a significant effect on corruption eradication. Fee has a positive and significant effect on corruption eradication, so the hypothesis is accepted. Statistical test of X2 toward Y shows that the relationship between motivation and corruption eradication is significant with T-statistic value of 1.757 (<1.96). The original sample estimate value is negative at -0.273 which indicates that the direction of the relationship between motivation and corruption eradication is negative or opposite direction and not significant. Motivation has a negative and insignificant effect on corruption eradication, so the hypothesis is rejected. The result of the total effect is positive but significant. This means that fee has an effect on corruption eradication through KPK performance, but it is weak. This is because fee has a significant and positive effect, while the KPK performance has a negative and insignificant effect on corruption eradication. Fee has a positive and significant effect on corruption eradication through KPK performance, which means that the hypothesis is accepted. The result of the total effect is negative but not significant. This means that motivation has no effect on corruption eradication through KPK performance. This is because the direct influence of motivation is not significant and positive, while the KPK performance has negative and insignificant effect on corruption eradication, but motivation has positive and significant effect on KPK performance. Motivation has a negative and insignificant effect on corruption eradication through KPK performance, which means that the hypothesis is rejected. It is recommended that institutions related to corruption eradication or fraud cases dig more deeply into the factors that cause weak motivation in supporting the performance of the KPK, such as the lack of socialization from the KPK itself on the importance of eradicating corruption at its roots. Corruption

eradication institutions, especially the KPK, need to re-socialize intensively and if necessary increase the amount of fees to motivate the public to be more active in helping the KPK performance to eradicate corruption. The fee to the reporter needs to be increased because the fee received by the reporter for this tactic is still relatively small. If the state loss is IDR 1 billion, the fee for the reporter is only IDR 2 million. It is still too small. The granting of fees to the reporter so far is in the number 2 (two) per mil of the total state loss returned (two per mil = 0.002 percent) which means that it is not meaningful. The one percent figure is quite ideal for the corruption reporting community, considering that the instrument will greatly assist law enforcement agencies in preventing state financial leakage. The 1% range is more meaningful.

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