

The Effect of Subjectivity in Incentives on the Performance Mediated by Knowledge Sharing Behavior

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Abstract: *This study examines the effect of subjectivity in incentives on the performance mediated by knowledge-sharing behavior. This research uses an experimental method by using students of the Faculty of Economics and Business at a state-owned university in Indonesia as the respondents. This study hypothesizes that managers' performance will affect subjectivity in incentives mediated by knowledge-sharing behavior. The results show that managers' performance is higher for the group of managers with subjectivity in incentives than those without incentive subjectivity. There is the role of knowledge-sharing behavior as a mediating variable. The findings of this research expand the research in managerial accounting, particularly on performance, subjectivity in incentives, and knowledge-sharing behavior. This research develops previous studies by incorporating the knowledge-sharing behavior variable as a mediating variable and influencing performance as a dependent variable. This research can help implement appropriate incentive systems for measuring performance and provide evidence on the importance of including knowledge-sharing behavior in reviewing employees' formal performance, especially in accounting consulting services. In addition, this research will increase the companies' awareness of building a work climate by incorporating a culture of knowledge sharing.*

Keywords: *Experiment, Subjectivity in Incentives, Performance, Knowledge Sharing Behavior*

Abstrak: *Penelitian ini bertujuan untuk menguji pengaruh subjektivitas insentif terhadap kinerja yang dimediasi oleh perilaku berbagi pengetahuan. Penelitian ini menggunakan metode eksperimen dengan menggunakan responden mahasiswa Fakultas Ekonomika dan Bisnis di universitas negeri di Indonesia. Hipotesis penelitian ini adalah bahwa kinerja manajer akan dipengaruhi oleh subjektivitas dalam insentif yang dimediasi oleh perilaku berbagi pengetahuan. Hasil penelitian menunjukkan bahwa kinerja manajer lebih tinggi pada kelompok manajer dengan subjektivitas insentif dibandingkan dengan kelompok manajer tanpa subjektivitas insentif. Ada peran perilaku berbagi pengetahuan sebagai variabel mediasi. Temuan penelitian ini memperluas penelitian dalam akuntansi manajerial khususnya pada kinerja, subjektivitas insentif, dan perilaku berbagi pengetahuan. Penelitian ini mengembangkan penelitian sebelumnya dengan memasukkan variabel perilaku berbagi pengetahuan sebagai variabel mediasi dan memasukkan kinerja sebagai variabel*

dependen. Penelitian ini dapat membantu dalam menerapkan sistem insentif yang tepat untuk mengukur kinerja dan memberikan bukti tentang pentingnya memasukkan perilaku berbagi pengetahuan sebagai bagian dari tinjauan kinerja formal karyawan, khususnya jasa konsultasi akuntansi. Selain itu, penelitian ini akan meningkatkan kesadaran perusahaan untuk membangun iklim kerja dengan memasukkan budaya berbagi pengetahuan.

Kata kunci: *Eksperimen, Subjektivitas dalam Insentif, Kinerja, Perilaku Berbagi Pengetahuan*

1. Introduction

The performance and sustainability of an organization is the biggest challenge a leader faces (Emmons, 2013). Success does not only about how an organization or company can win the competition but also how to build partnerships. Partnerships require communication in an organization that requires individual knowledge. Since 1990, knowledge has been a phenomenon that must be managed (Mouritsen and Larsen, 2005), and knowledge-sharing behavior has received much attention in academic and managerial literature. Over the past six years, an individual's desire to share knowledge has become an interesting topic in research. A review of the 2010 and 2012 publications shows that knowledge-sharing behavior is discussed in the context of an individual's desire to share knowledge (Mouritsen and Larsen, 2005).

Further exploration of human behavior, relationships among individuals, and relationships among knowledge sharing on organizational performance remain a research gap (Mouritsen and Larsen, 2005). There are several types of research proving that incentives increase performance (Taylor and Murthy, 2009; Shoemaker and F.Austin, 2014; Asrar-ul-haq and Anwar, 2016; Sandra et al., 2006; Lee and Ahn, 2005). However, other researchers obtain different results in which incentives disrupt performance because of the possibility of unfair incentives where the potential of promotion or reputation breaks someone's trust (Bai and Krishnan, 2012).

Knowledge-sharing behavior has proven to have positive impacts on companies. Understanding employee knowledge-sharing behavior will have important implications for the organization itself (Xue et al., 2011). This leads the organization to consider the

attention for making strategies to develop and invest in knowledge-based activities (Asrar-ul-haq and Anwar, 2016). The organization attempts to increase knowledge-sharing behavior among members and departments. On the other hand, they realize that employees need the motivation to increase the desire to share knowledge. Extrinsic motivation becomes a stimulus that encourages individuals to perform a certain behavior, for example, a behavior to share knowledge (Shoemaker and F.Austin, 2014). There are some reasons to share knowledge; obligations, compensation, and preferences (Taylor and Murthy, 2009). A compensation system rewards knowledge-sharing behavior (Lee and Ahn, 2005). It has been proven to increase knowledge-sharing behavior and motivation to share knowledge (Shoemaker and F.Austin, 2014, Asrar-ul-haq and Anwar, 2016; Sandra et al., 2006; Lee and Ahn, 2005). The research by Wolfe and Loraas (2008) proves that the increase in knowledge-sharing behavior happens if it becomes part of an incentive review.

In contrast, there are some employees' reasons not to share their knowledge, including competition among colleagues in the future and a company that has a competitive working environment (Chow et al., 2000). Iqbal et al. (2011) prove that compensation increases competition and decreases knowledge-sharing behavior. Besides, knowledge-sharing behavior tends to decrease when sharing knowledge becomes too difficult, expensive, or time-consuming (Gravier et al., 2008). Furthermore, there are also some obstacles experienced in increasing knowledge-sharing behavior; tendency to reject change, attention to job security or job loss, and lack of receptiveness in sharing useful information (Gelder, 2011).

According to the description above, this research aims to determine the role of mediating knowledge-sharing behavior in the relationship of subjectivity, incentives, and performances. This research is expected to expand managerial accounting research, specifically regarding performances, incentives, subjectivity, and knowledge-sharing behavior. This research improves previous research by involving knowledge-sharing behavior as a mediating variable in the relationship between subjectivity, incentives, and performances. This research is expected to answer the research gap between incentives and knowledge-sharing behavior and subsequently influence performance.

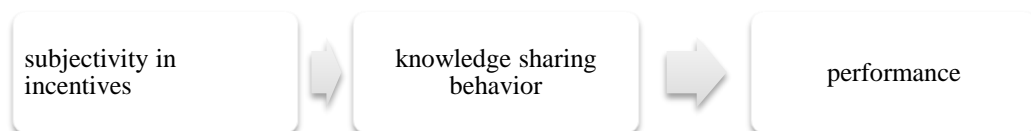
There are two research problems: (a) Does the incentive subjectivity positively affect performances? Moreover, (b) Does the knowledge-sharing behavior mediate the effect of subjectivity in incentives on performances? This research aims to broaden research on subjective incentives, specifically involving knowledge-sharing behavior variables expected to mediate the relationship between the subjectivity in incentives and performances. Meanwhile, this research has two specific objectives: a). The first objective is to examine the positive effect of subjectivity in incentives on performances; b). The second objective is to examine the effect of mediation of knowledge-sharing behavior on the effect of subjectivity in incentives on performances.

Previous research has examined the relationship of subjectivity in incentives, knowledge-sharing behavior, and knowledge-sharing behavior with performances. This research proves that knowledge-sharing behavior mediates the relationship between subjectivity in incentives and performances. In addition, this research provides experimental evidence that there are differences between the performance of participants who get an incentive scheme with subjectivity and an incentive scheme without subjectivity. This research can be used to consider the importance of knowledge-sharing behavior in an organizational environment and involve knowledge-sharing behavior in performance reviews.

2. Theoretical Framework and Hypothesis Development

Figure 1 represents the conceptual model, and the hypotheses have been framed accordingly. The model shows the relationship between subjectivity in incentives, knowledge-sharing behavior, and performance.

Figure 1
Theoretical Framework



The following is a theoretical framework used as a logical basis in developing a research hypothesis or research model.

2.1. Employees' Performance

Employee performance deals with using expertise, ability, and experience to complete the tasks requested effectively and efficiently (Sewkarran, 2008). Performance can be divided into two categories: group performance and individual performance. Team performance indicators are completing work, making decisions, solving problems, adapting to changes, making plans, and achieving goals (Gelder, 2011), while individual performance is influenced by the organization's commitment (Supriyono, 2004). Good performance measurement will lead the company to implement and describe effective strategies, guide employee behavior, assess managerial effectiveness, and provide a basis for compensation (Malina and Selto, 2004).

Improving performance measurement in key parts of the value chains is one of the essential roles of management accounting (Malina and Selto, 2004). Management control and strategy theory identify eight attributes of expected performance measurement. Performance measurement should be different and complementary, objective and accurate, informative, more profitable than costs, related to causal (cause and effect), strategic communication tools, incentives for improvement, and support improvement decisions (Malina and Selto, 2004).

2.2. Knowledge Sharing Behavior

Knowledge-sharing behavior is a set of behaviors that involves the exchange of information or helps of others. Knowledge-sharing behavior can be defined as a culture of social interaction that involves exchanging employees' knowledge, experiences, and expertise in a department or an organization (Lin, 2007). It differs from information-sharing behavior, which shares something containing elements of reciprocity or exchange and can be undirected without request (Connelly and Kelloway, 2003). Knowledge-sharing behavior occurs at the individual and organizational levels. For employees, knowledge-sharing behavior is a communication process with their colleagues that aims to help them get the job done better, faster, and more efficiently.

For the organization, knowledge-sharing behavior is capturing, managing, using, and transferring experiences based on existing knowledge and making knowledge available to others in the business (Lin, 2007). A review of the 2010 and 2012 publications shows that knowledge-sharing behavior is discussed in the context of an individual's desire to share knowledge (Asrar-ul-haq and Anwar, 2016).

There are two dominant approaches to sharing knowledge; explicit knowledge and tacit knowledge. Explicit knowledge is easy to share in words and focuses on information (Emmons, 2013). Tacit knowledge will depend on relationships and inclinations to share knowledge. Tacit knowledge is more difficult to share, and it focuses on knowledge. This knowledge develops through experiences, insights, and considerations (Emmons, 2013).

Knowledge-sharing behavior has proven to have positive impacts on companies. Understanding employee knowledge-sharing behavior will have important implications for the organization itself (Xue et al., 2011). Those implications include knowledge-sharing behavior's important role in achieving competitive advantage in increasingly uncertain and complex business situations (Cheng & Coyte, 2014). The effectiveness of knowledge management in organizations will bring positive results that will lead organizations to success (Asrar-ul-haq & Anwar, 2016). Knowledge-sharing behavior is identified as positive coercion in creating innovative organizations, and it affects the creation of companies' knowledge, organizations' learning process, achievement of performances, growth, and competitive advantage (Bartol & Srivastava, 2002; Bock & Kim, 2002; Vera-Munoz et al., 2006). Knowledge-sharing behavior is believed to increase companies' ability to solve problems and prevent the same problems happen again (Chow et al., 2008; Collins & Smith, 2006; Weick, 2005). Therefore, knowledge-sharing behavior affects companies' knowledge creation, organizations' learning process, achievement of performances, growth, and competitive advantage (Bartol & Srivastava, 2002; Bock & Kim, 2002; Vera-Munoz et al., 2006).

2.3. Subjectivity in Incentives

Several organizations introduce compensation systems to encourage employees to implement knowledge-sharing behavior (Lin, 2007). The importance of compensation systems and motivation toward knowledge-sharing behavior is trying to be examined from 2010 to 2015, and the results show that both variables are correlated to various knowledge (Asrar-ul-haq & Anwar, 2016). Companies can use compensation systems to compensate for knowledge-sharing behavior activities for successful knowledge sharing (Lee & Ahn, 2005).

Monetary incentives or non-monetary incentives can motivate knowledge-sharing behavior, which depends on the adequacy of incentives perceived (Wolfe & Loraas, 2008). Managers should carefully consider incentive structures on the computer-based systems due to incentives potentially affecting knowledge-sharing behavior (Taylor, 2006). Extrinsic incentives will be better when it is linked to explicit knowledge transfer. Therefore, the question is how to design an optimal incentives system for the effectiveness of knowledge-sharing behavior, where there is still a minimal amount of research examining this thing (Lee & Ahn, 2005). Employees' willingness to share knowledge must be included in the compensation formula form. Unfortunately, their role in knowledge-sharing behavior often cannot be measured by formal compensation formulation. Therefore, subjectivity in compensation formulation is required (Cheng & Coyte, 2014). Subjectivity refers to supervisors' subjective assessment in inserting an incentive review indicator. In this research, the subjectivity of incentives means supervisors add the criteria of knowledge-sharing behavior as a part of the incentives review and make a subjective assessment of that criterion. In the incentives scheme without subjectivity, supervisors do not evaluate monthly performance based on the weighting method set for each performance area. Besides, they do not add knowledge-sharing behavior criteria as part of the incentives review. Furthermore, no subjectivity is allowed in the assessment process.

2.4. The Effect of Subjectivity in Incentives on Performance

Several types of research prove that incentives increase performance (Taylor & Murthy, 2009; Shoemaker & F. Austin, 2014; Asrar-ul-haq & Anwar, 2016; Sandra et al., 2006; Lee & Ahn, 2005), incentives schemes increase motivation, performance, and business level (Walker & Johnson, 1999), monetary incentives increase overall performance (Bailey et al., 1998). On the other hand, several types of research obtain different results; incentives disrupt performance because of the possibility of unfair incentives (Naranjo-Gil et al., 2012; Iqbal et al., 2011; Gravier et al., 2008), if there is the potential of promotion or reputation that breaks someone's trust (Bai & Krishnan, 2012), and lack of coordination of incentives leads to weak performances (Upton, 2009).

Agency theory explains that an employee who works based on interest and personal benefit must be greater than the effort (Cheng & Coyte, 2014). Social exchange theory and social justice theory explains that individuals consider their relationship with the company as a series of giving or receiving interactions. Dissatisfaction with exchange relationships will result in negative behavioral responses (Cheng & Coyte, 2014). Besides, there are interdependent interactions in others' behavior (Cropanzano & Mitchell, 2005). Someone who feels judged to be fair will produce better effort at work, which leads to good performance. From the description above, First Hypothesis is formulated as follows:

H1. The incentive scheme based on subjectivity produces better performance than the incentive scheme without subjectivity.

2.5. Knowledge Sharing Behavior as a Mediator of the Effect of Subjectivity in Incentives on Performance

Extrinsic motivation becomes a stimulus that encourages individuals to perform a certain behavior, for example, a behavior to share knowledge (Shoemaker & F. Austin, 2014). There are some reasons to share knowledge; obligations, compensation, and preferences (Taylor & Murthy, 2009). A compensation system rewards knowledge-sharing behavior (Lee & Ahn, 2005). It has been proven to increase knowledge-sharing behavior and motivation to share knowledge (Shoemaker & F. Austin, 2014, Asrar-ul-

haq & Anwar, 2016; Sandra et al., 2006; Lee & Ahn, 2005). The research by Wolfe and Loraas (2008) proves that the increase in knowledge-sharing behavior happens if it becomes part of an incentive review.

In contrast, there are some employees' reasons not to share their knowledge, including competition among colleagues in the future and a company that has a competitive working environment (Chow et al., 2000). Iqbal et al. (2011) prove that compensation increases competition and decreases knowledge-sharing behavior. Besides, knowledge-sharing behavior tends to decrease when sharing knowledge becomes too difficult, expensive, or time-consuming (Gravier et al., 2008).

Some researchers see the relationship between knowledge-sharing behavior and organizational performance. Several researchers have found that knowledge-sharing behavior is positively related to organizational performance (Bartol et al., 2007) and individual performance (Emmons, 2013; Gravier et al., 2008). Furthermore, the relationship among relations increases performance (Emmons, 2013), a cooperation act will encourage performance (Sandra et al., 2006), and knowledge sharing positively influences team performance (Jamshed et al., 2019). On the other hand, several types of research obtain different results. The relationship between knowledge-sharing behavior on organizational performance remains a research gap (Emmons, 2013) in different organizations (Iqbal et al., 2011). Knowledge-sharing behavior incurs potential costs over time and money that contribute to organizational performance and the members (Berends, 2005). Organizational learning theory explains the relationship between knowledge learning, decision-making, and actions to increase organizational performance (Emmons, 2013). Organizational learning occurs at three levels: individual, group, and organization (Giesecke & McNeil, 2004). Learning in a team is a necessary form of organizational learning. From the description above, the second hypothesis is formulated as follows:

H2. Knowledge-sharing behavior mediates the relationship of subjectivity to performance.

3. Research Method

The following describes data collection, measurement, operational variable definition, and analysis data method.

3.1. Research Design

This research aims to examine the effect of the scheme of subjectivity in incentives on performances mediated by knowledge-sharing behavior. The method used in this research was experimental. Table 1 shows the experimental design of this research.

Table 1
Experimental design

The subjectivity of incentives (experimental group)
With subjectivity (first group)
Without subjectivity (second group)

Experimental research design is used to investigate a phenomenon by manipulating a condition or a situation (called manipulation) through certain procedures and then observing the manipulation result by interpreting it (Nahartyo, 2013). This research used the experimental method 1 x 2 (between-subject). Research respondents were undergraduate students of the Faculty of Economics and Business, Gadjah Mada University. Manipulation carried out in this research was in the incentives scheme based on subjectivity and the incentives scheme based on the weighting method (without subjectivity). The respondents were divided into two groups. Each group will receive different manipulation. The first group will receive manipulation of the incentives scheme based on subjectivity, and the second group will receive manipulation of the incentives scheme without subjectivity.

3.2. Research Instrument

The instrument used to measure the variable of subjectivity in incentives was adopted from the research by Cheng and Coyte (2014) by manipulating the experiment, in this case, the respondents. The respondents were consultant managers at *Shine and Bright*. The participant was evaluated by the supervisor based on four areas; the total

amount of working time charged to all clients during the month, the average number of bills charged to all clients during the month, the total revenue from new projects requested by clients during the month, and the evaluation received by the supervisor. In the incentives scheme with subjectivity, the supervisor added the criteria of knowledge-sharing behavior as a part of the incentives review and made a subjective assessment of that criterion. The average monthly evaluation rating the supervisor receives would determine the annual bonus. In the incentives scheme without subjectivity, the supervisor evaluated monthly performance based on the weighting method set for each performance area of 25%. The supervisor did not add knowledge-sharing behavior criteria as a part of the incentives review, and no subjectivity was allowed in this assessment process. The average monthly evaluation rating the supervisor receives would determine the annual bonus. After reading the scenario, the respondents were given one manipulation checking question to ensure that the scenario of the experiment had been internalized and understood by the respondents.

After that, the respondents were asked whether they would share their knowledge with their colleagues. The respondents' decisions will affect the next step of the experiment. In this case, if they decided to share knowledge, they were allowed to discuss it with their colleagues in dealing with the questions in the next step of the scenario. They will do it individually if they decide not to share their knowledge. This research projected performances with the respondents' ability to answer multiple choice questions by changing symbols into numbers by the deadline. The simple assignment to assess this performance aims to avoid potential biases, which is that the answers generated by the respondents are influenced by their intellectual skills, not by the impact of knowledge-sharing behavior itself.

3.3. Experimental Design

This research used experimental design by using the sample of undergraduate students as the respondents. Students who were the respondents were required to meet qualifications, such as having taken Management Accounting Course. The selection of these criteria is due to the students who had taken the course knowing the description

of the consulting firm and incentives systems in the company. The students who had been internalized in manipulating the experimental instrument are expected to have a mental representation of the assignment they performed.

Nahartyo (2013) explains that the number of ten can be used as the standard of the number of subjects for each cell in the experiment. This research determined that the number of subjects was 25 for each cell, so the respondents required were 50. The number of respondents in this research was 38 respondents in the first group and 45 respondents in the second group, totaling 83 respondents. The more significant number of subjects, the more reliable and valid the result of an experiment (Nahartyo, 2013).

3.4. Operational Variable

The independent variable of this research was subjective incentives. The first group was the incentives review with subjectivity and the second group was the incentives review without subjectivity (Cheng & Coyte, 2014). The mediating variable of this research was knowledge-sharing behavior by providing two choices to the respondents, namely, not willing to share knowledge or willing to share knowledge. The dependent variable of this research was performance projected by the respondent's ability to answer multiple choice questions, which are changing symbols into numbers with the deadline. The simple assignment to assess this performance aims to avoid potential biases, which is that the answers generated by the respondents are influenced by their intellectual skills, not by the impact of knowledge-sharing behavior itself. There were 60 questions given in this research to measure the dependent variable.

3.5. Analysis Technique

The first hypothesis was that the group of managers with the information of incentives with subjectivity had higher performance than the group with the information of incentives without subjectivity. A subjective incentive scheme indicates that the inclusion of behavior as the object of performance measurement leads individuals to put more effort into improving it (Mursita et al., 2021). The independent variable of this research's first hypothesis is the categorical subjectivity incentives, while the dependent variable is ratio scale performance. This research used an experimental design of 1 x 2

between-subject. Testing this hypothesis used different t-tests due to the categories of the independent variable being only two (Ghozali, 2011), which are with subjectivity in incentives and without incentives subjectivity. A t-test was used to determine whether the two unrelated samples had different mean values.

If the significance value or Sig. (2-tailed) > 0.05 , then H_0 is accepted, and H_a is rejected, in which there is no difference between the average group performance and the group without subjectivity. If the significance value or Sig. (2-tailed) < 0.05 , then H_0 is rejected, and H_a is accepted in a difference between the average group performance and the group without subjectivity. After that, the average values of each group's performance were calculated to determine which performance was higher. Before conducting different t-tests, normality tests and homogeneity tests were first performed. The normality test determines whether the data are distributed normally or abnormal. The normality test used the Kolmogorov-Smirnov non-parametric statistical test, while the homogeneity test used the Levene test.

The second hypothesis tests the effect of knowledge-sharing behavior mediating the effect of subjectivity in incentives on performances. The hypothesis of the independent variable is subjectivity in incentives, while the dependent variable is performance. According to Baron and Kenny (1986), there are four conditions required to build mediation relationships: the independent variable and mediator variable should be significantly related, the independent and dependent variable should be significantly related, and the mediator variable and dependent variable should be significantly related. The relationship between an independent and dependent variable becomes insignificant or weak when the mediator variable is added. Many people criticize Baron and Kenny's method (1986) because it only analyzes the complete or perfect mediator model (Shrout and Bolger, 2002). According to critics, the stages required are stage b and stage c.

Meanwhile, stage a and stage d are only for examining whether the mediator model is perfect or not. This hypothesis test uses a path analysis test. The hypotheses that will be examined one by one are as follows:

- a. The effect of subjectivity in incentives on knowledge-sharing behavior (SI on PBP).
- b. The effect of subjectivity in incentives on performance (SI on K).
- c. The effect of knowledge-sharing behavior on performances (PBP on K).
- d. The effect of subjectivity in incentives through knowledge-sharing behavior on performances (SI on K through PBP).

This analysis technique will be used to examine the amount of contribution shown by the coefficient path on each diagram path from the relationship between the variable of subjectivity in incentives (SI) and knowledge sharing behavior (PBP) and the effect on performances (K). Suppose the correlation coefficient value of a mediator is greater than the correlation coefficient value of the interaction variable. In that case, it means that the variable mediates the effect of the independent variable on the dependent variable.

4. Research Result and Analysis

The following are the result and analyses of the research.

4.1. Normality Test

The normality test aims to determine whether the data are distributed normally or not. Normality test uses *Kolmogorov-Smirnov*. The result of the normality test shows that the significance is $0.200 > 0.05$. Therefore, it can be concluded that the data are distributed normally.

4.2. Homogeneity Test

The homogeneity test aims to determine whether two or more groups of sample data come from a population with similar variations. Similar variation means variations of dependent variable values in various level of the independent variable (predictor) is relatively different (Gudono, 2015). This test shows that the homogeneity variance is 0.962. The significance value of performance based on subjectivity in incentives is $0.962 > 0.05$ showing that the sample in the group (the data of performance variable based on the variable of subjectivity) has the same variance.

4.3. Examining the Effect of Demographic Characteristic Test

This research examines the effect of subjectivity in incentives on performances mediated by knowledge-sharing behavior. In examining demographic characteristics on performances, ANOVA is used. Performances as the dependent variable and respondent characteristics (gender, age, GPA, and working experience) as the independent variable.

The examination result shows that the difference in respondent characteristics does not affect performances. The value of gender is $P=0.079$; the value of age is $P=0.150$; the value of GPA is $P=0.913$, and the value of working experience is $P=0.879$. The P value for gender, GPA, age, and working experience is on top 0.05. Therefore, it does not affect performance.

4.4. The Result of the First Hypothesis

The dependent variable in this research is performed, while the independent variable is subjectivity in incentives. The first hypothesis is that the group of managers with incentives information with subjectivity has higher performances than those with incentives information without subjectivity. This research uses experiment 1 x 2 between-subject.

According to the statistical result, Sig. (2-tailed) value is $0.000 < 0.05$; therefore, following the decision-making basis for the t-test difference, it can be concluded that H_0 is rejected and H_a is accepted. In addition, there is a difference between the average performance of the group with subjectivity and the group without subjectivity.

The second hypothesis is that the group of managers with incentive information with subjectivity has higher performance than those with incentive information without subjectivity. Hence, the average value of performances for each group is calculated. The result shows that the average value of group performance with subjectivity is 47.7, while the average value of group performance without subjectivity is 30.04. The result can be concluded that H_1 is accepted, which is that the incentives scheme with subjectivity produces higher performance than the incentive scheme without subjectivity.

4.5. The Result of the Second Hypothesis

The second hypothesis shows that knowledge-sharing behavior mediates the relationship between subjectivity in incentives for performances. The independent variable of this hypothesis is subjectivity in incentives, while the dependent variable is performance. Besides, the mediator variable is knowledge-sharing behavior. This hypothesis is examined by using a path analysis test. The first step is examining the effect of subjectivity in incentives on knowledge-sharing behavior (SI on PBO). R-Squared Regression Model I is 0.028 with Standardized Coefficients Beta value is -0.167, and the significance is 0.132. the second step examines the effect of subjectivity in incentives and knowledge-sharing behavior on performance (SI and PBP on K). R-Squared Regression Model II is 0.317 with Standardized Coefficients Beta value of manipulation variable (subjectivity in incentives) is -0.452, sharing behavior variable is 0.268, and the significance is 0.000 and 0.005.

According to the result of Regression Model I on the Coefficient table, it is known that the significance value of the manipulation variable or subjectivity in incentives (SI) is $0.132 > 0.05$, which concludes that subjectivity in incentives (SI) does not significantly influence knowledge sharing behavior (PBP). The value of R² or R-Squared on the Model Summary table is 0.028 showing that the contribution of subjectivity in incentives (SI) to knowledge-sharing behavior (PBP) is 2.8%. In comparison, the remaining 97.2% contributes to other variables that are not included in this research.

According to the result of the Regression Model, it is found that the significance value of manipulation or subjectivity in incentives (SI) variable is 0.000, and the significance value of knowledge sharing behavior (PBP) variable is 0.005. Both of them < 0.05 show that subjectivity in incentives (SI) and knowledge-sharing behavior (PBP) significantly affect performance (K). The value of R² or R-Squared on Model Summary is 0.317 showing that the contribution of the effect of subjectivity in incentives (SI) and knowledge sharing behavior (PBP) on performances (k) is 31.7%. In contrast, the remaining, 68.3%, contributes to other variables that are not included in this research. The conclusions of the description above are as follows:

- a. Analysis of the effect of subjectivity in incentives on knowledge-sharing behavior (SI on PBP):

Based on the analysis above, the significance value of subjectivity in incentives (SI) is $0.132 > 0.05$. It means that there is no significant direct effect of subjectivity in incentives on knowledge-sharing behavior (SI on PBP).

- b. Analysis of the effect of subjectivity in incentives on performances (SI on K):

Based on the analysis, the significance value of subjectivity in incentives (SI) is $0.000 < 0.05$. It means that there is a significant direct effect of subjectivity in incentives on performances (SI on K).

- c. Analysis of the effect of knowledge-sharing behavior on performances (PBP on K):

Based on the analysis, the significance value of knowledge-sharing behavior on performances (PBP) is $0.00 < 0.05$. It means that knowledge-sharing behavior has a significant direct effect on performance (PBP on K).

- d. Analysis of subjectivity in incentives through knowledge-sharing behavior on performances (SI on K through PBP):

It is found that the direct effect given by SI on K is -0.452 . Meanwhile, the indirect effect of SI through PBP on K is the multiplication between the value of beta SI on PBP with the PBP beta value on K, which is: $-0,167 \times 0,268 = -0,045$. Hence, the total effect given by SI on K is the direct effect added with the indirect value: $-0,452 + -0,045 = -0,497$. Based on the calculation above, it is found that the value of the direct effect is -0.452 and the indirect effect is -0.045 , which means that the value of the indirect effect is greater than the value of the direct effect. The results indicate that SI through PBP indirectly significantly affects K.

Many people criticize Baron and Kenny's method (1986) because it only analyzes the complete or perfect mediator model (Shrout and Bolger, 2002). According to critics, the stages required are stage b and stage c. Meanwhile, stage a and stage d are only for examining whether the mediator model is perfect or not. Based on the discussion of the

result above, the conclusion is that the second hypothesis, about knowledge-sharing behavior mediating the effect of subjectivity in incentives on performances, is accepted.

The supported H1 confirms that agency and exchange theories predict project manager performance. This result is in line with agency theory which states that personal benefits must be greater than the efforts (Cheng & Coyte, 2014) when incentives affect motivation and performance (Terpend & Krause, 2015). This result is also in line with the social exchange theory, which states that dissatisfaction with the exchange relationship with the company will result in a negative behavioral response (Cheng & Coyte, 2014). This finding is also in line with Stajkovic and Luthans (2001), who state that the information content of monetary incentives becomes motivation when the incentive payment is directly tied to performance. This finding reinforces previous findings related to the subjectivity of incentives and performance, including Taylor and Murphy (2009), Shoemaker and F. Austin (2014), Sandra et al. (2006), Leo and Ahn (2005), Walker and Johnson (1999), Bailey et al., (1998) which states that the subjectivity of incentives has a positive effect on performance.

The supported H2 confirms that generative theory and learning theory can predict manager behavior related to knowledge-sharing behavior and performance. This result is in line with the generative theory, which states that organizations generally encourage their members to build relationships, share knowledge, and use positive adaptation processes (Emmons, 2013). These results also align with organizational learning theory, which explains the relationship between knowledge sharing, learning, decision-making, and action to improve performance (Emmons, 2013).

5. Research Conclusions, Implications, and Limitations

The following are conclusions from the research result, implications, and suggestions for further research.

5.1. Conclusions

Based on the analysis and review done by researchers, it is found that the performance of the respondents who were given incentives scheme with subjectivity is higher compared to the respondents who were given incentives scheme with weighting

method (without subjectivity) and the relationship between subjectivity in incentives and performances mediated by knowledge sharing behavior. This research supports the agency theory, the exchange theory in the first hypothesis, and the learning theory in the second. The result of the second theory does not support one of four conditions in which the independent variable and mediator variable should be significantly related (SI on PBP), and the result is not significant at $0.132 > 0.05$. The result is still acceptable because the critics think that stage only examines whether the mediator model is perfect or not (Shrout and Bolger, 2002). Meanwhile, in examining stages b, c, and d, the results follow the condition required to build mediation relationships.

5.2. Implications

The important implications of this research are the role in mediating knowledge-sharing behavior. This finding is in line with Taylor and Murthy (2009), who states that there are some reasons to share knowledge, such as obligation, compensation, and desire to share knowledge. In addition, this research also includes performances as the dependent variable of knowledge-sharing behavior.

This research provides benefits in managerial accounting and for practitioners by providing evidence of the importance of involving knowledge-sharing behavior in employees' performance reviews. This research can be used as a reference in implementing an appropriate incentives system for performance measurement and provide evidence of the importance of involving knowledge-sharing behavior in employees' formal performance reviews, especially in consulting services firms in accounting. Furthermore, this research will increase companies' awareness of building a work climate by involving the culture in knowledge sharing.

5.3. Limitations

The limitation of this study is only used subjectivity in incentives that influence knowledge-sharing behavior. Taylor and Murthy (2009) state that there are some reasons to share knowledge, such as obligation, compensation, and desire to share knowledge. In addition, there are reasons to consider competition among colleagues and

a competitive working environment as a variable affecting knowledge-sharing behavior (Chow et al., 2000).

5.4. Suggestions for Further Researchers

Future research can use a sample of managers of manufacturing and services companies. This research uses the services company as the basis for the scenario. Further researchers can use other agencies or other organizations that are also acceptable (Iqbal et al., 2011) and use other variables that influence organizational performance, such as knowledge management (Jyoti et al., 2017). This research also includes the role of competition as the variable affecting knowledge-sharing behavior (Chow et al., 2000; Iqbal et al., 2011) and can measure the level of trust that affects knowledge-sharing behavior. In addition, this study confirms a relationship between learning organizations and IT support for knowledge sharing, innovation, and performance (Purbandari et al., 2012). There are mediation effects of organizational learning between knowledge sharing and employee performance (Meh er et al., 2022).

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