

THE EFFECT OF WORK MOTIVATION AND REWARDS ON EMPLOYEE PERFORMANCE

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ABSTRACT

Background: In a company, human resources are the most important component. Investing in personnel is one of the main management tactics of an organization. Ensuring that goals are achieved requires high employee performance.

Purpose: The purpose of this study was to ascertain how employee performance is affected by reward schemes and work motivators.

Design/methodology/approach: This study uses a quantitative method with an exploratory approach. The population is Minprint Printing Employees in Bekasi, with saturated sample techniques totaling 43 people. The research analysis tool uses SPSS.

Findings/Result: Based on the results of the research described, it is concluded that work motivation and reward system have a significant influence on employee performance.

Conclusion: This study has a significant impact on companies in the e-commerce industry because they emphasize the need to strike a balance between price competitiveness and offering high-quality goods and services to clients

Originality/value (State of the art): This study adds to the literature by giving empirical data on the function of the Tunas Artha Mandiri Syariah Savings and Loan Cooperative in enhancing the welfare of its members and the surrounding communities in Singaparna, Tasikmalaya Regency, through accessible MSME finance. Unlike past studies that have exclusively focused on cooperatives' financial performance, this study incorporates the cooperative's contribution to local economic empowerment, job creation, and human resource development within a community-based Islamic cooperative framework.

Keywords: Motivation, employees, performance, awards, rewards.

INTRODUCTION

The concept of globalization includes change and competition. In order to thrive in a highly competitive environment and advance their own goals, organizations must come up with a variety of solutions. There are many external variables that motivate companies to work harder. Businesses that want to be profitable and sustainable, especially during times of global crisis, need to pay attention to systemic developments and changes. The people who work for the organization are the most important component. Engaging employees is one of the main organizational management tactics. Employers seek to improve the performance of their staff members in various human resources applications. As a result, the incentive management system in the human resource management system has emerged as the most important component (Sidabutar et al., 2024).

Personal, sociopsychological, and environmental elements interact to drive a dynamic motivational process. There are external and internal factors that affect motivation. In other words, motivation is the result of external and internal psychological processes, and can only be fully understood when the nature of the individual and the situation in which the behavior occurs are taken into account. Awards are one of the main external motivators (Saputra, 2020).

Awards come in many forms, and they are often used to influence people and improve performance levels. To motivate students to study harder, the education system uses rewards such as grades, gold star stickers, or praise. To encourage doctors and their staff to provide high-quality care to patients, healthcare systems implement various performance-based payment schemes. These schemes can be team-based (e.g., team incentives, team recognition) or individual (e.g., skill-based compensation, unit-based payouts). Employers use monetary incentives (bonus programs, stock options, or salary increases) as well as recognition rewards to encourage employee enthusiasm and work results (Djibran, 2017).

Human resource managers utilize the reward system as one of their techniques to attract and retain qualified workers, as well as help them comply with employment regulations and regulations and improve their performance through incentives. Under this pressure, HR managers work to create incentive programs that support the organization's strategic goals and each employee's personal goals. An organization's rewards program is essential. Systems, initiatives, and procedures that affect employee behavior are examples of rewards (Rahardjo & Raharja, 2023). Referring to the background description given above, it is thought that employee performance and motivation are closely intertwined, and that these factors affect an organization's ability to achieve its goals. The purpose of this study was to ascertain how motivation and reward interact.

In the literature review presented in this study, the main focus is on the influence of work motivation and reward systems on employee performance. Here are some key points from the literature review in Indonesian:

Motivation and Performance

Motivation is a crucial factor that drives a person to achieve a set goal (Rashid & Tanjung, 2020). Motivated employees tend to show higher levels of productivity, have a commitment to their work, and prioritize the autonomy and development opportunities they drive from within themselves.

Reward System

Systematic rewards play an important role in improving employee performance. Rewards serve as a tool to increase motivation among employees by linking their actions and behaviors to feelings of happiness and satisfaction (Tjandra et al., 2018). When employees feel valued and appreciated, they are likely to improve their performance significantly.

Performance

Performance is the result of employee work in accordance with set operational standards (Intani, 2019) By setting clear performance targets, such as exceeding the set sales target, and providing additional incentives as a reward for these achievements, employees become motivated to achieve better results.

Motivation and Reward Strategies

Organizations need to prioritize efforts to maintain employee motivation to prevent demotivation, as well as implement an appropriate reward system to ensure optimal performance achievement (Kuswati, 2019). Investing in employee motivation and reward systems is key to an organization's success.

Management Practices

One of the key management strategies in an organization is to focus on investing in employees (Nafisah et al., 2024). Developing, motivating, and improving employee performance through a variety of human resource approaches, including reward management, is critical to achieving organizational success.

These points emphasize the importance of work motivation and reward systems in driving employee performance as well as overall organizational success. Organizations that effectively implement this strategy tend to experience increased productivity, commitment, and overall performance of their employees.

METHOD

In the research of Taupik Hidayatullah and Jajuk Suprijati (2024), Sugiyono stated that the sample has characteristics and is a member of the population. Researchers can use samples from a population if the sample is large and it is impractical for them to investigate the entire population for a number of reasons, such as lack of resources, staff, or time. Populations can benefit from findings taken from samples. Therefore, the population sample must be truly representative (representative). West Bekasi is the location of this research. Minprint printing employees in Bekasi totaled 43 people who were the focus of this study. The data collection technique uses accidental sampling. This type of research is known as quantitative research, and it uses questionnaires to collect data for analysis. For this study, primary and secondary data are needed. The first data used in this study was obtained through a survey, with the instrument being in the form of a questionnaire (Sugiyono, 2016), and secondary data obtained from previous research in the form of books and journals. In this study, the data analysis technique uses SPSS which consists of instrument tests (validity and reliability tests), classical assumption tests consisting of Dario; multicollinearity, autocorrelation, validity, reliability, and normality tests, as well as hypothesis tests which are divided into t-tests and F-tests.

THE RESULT

Before using multiple regression analysis to analyze data, regression assumptions such as validity, reliability, normality and multi-conreality are used.

Table 1. Validity Test

No	Variabel	kuisoner	Sig(2tailed)	Person correlation	R tabel	Keterangan
1	Motivasi kerja	P1		0,508		valid
		P2		0,520		Valid

No	Variabel	kuisoner	Sig(2tailed)	Person correlation	R tabel	Keterangan
2	Reward	P3	0,00	0,546	0,195	Valid
		P4		0,665		Valid
		P5		0,367		Valid
		P1		0,775		valid
		P2		0,815		Valid
3	Kinerja karyawan	P3		0,735		Valid
		P4		0,796		Valid
		P5		0,733		Valid
		P1		0,926		Valid
		P2		0,833		Valid
		P3		0,822		Valid
		P4		0,778		Valid

The results of the correlations produced by the researchers show that the value of sig. (2tailed) for the relationship or correlation between all items with an overall score of 0.000, which is less than 0.05. Thus, it can be concluded that all objects are considered valid. The r-value of the table of 0.195 is determined from the distribution of the r-table at a significant level of 5%, with the number of samples $N = 41$. Furthermore, a comparison was made between the r value obtained from the SPSS output and the r value in the dataset. It can be concluded that all question items are genuine, because the calculated r value for all question item exceeds the table r value of 0.195, which is the criterion for the validation test. The question item serves as an appropriate data collection tool in the research, ensuring the investigation, ensuring the investigation can be continued because all items have been deemed valid.

Table 2. Reliability Test

no	variabel	N of items	Cronbach's alpha	Cut off 0,60	keterangan
1	Motivasi kerja	5	0,343	0,60	Reliabel
2	Reward	5	0,828	0,60	Reliabel
3	Kinerja karyawan	4	0,854	0,60	Reliabel

The SPSS output provides information about the sample size (N) analyzed in this program, which is 41. All entries are original as no data is lost, resulting in a 100% validation rate. Based on Cronbach's alpha value of all questionnaire question items greater than 0.60, it can be concluded that all questions are reliable. All elements in the questionnaire are considered reliable and consistent, making it a viable data collection tool for research, thus facilitating the continuity of the research.

Table 3. Kolmogorov Smirnov Normality Test

		Unstandardized Residual
N		43
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.88294745
Most Extreme Differences	Absolute	.098
	Positive	.075
	Negative	-.098
Test Statistic		.098

Asymp. Sig. (2-tailed) ^c			.200d
Monte Carlo Sig. (2-tailed) ^e	Say.		.364
	99% Confidence Interval	Lower Bound	.352
		Upper Bound	.376

Asymp Value. Sig (2-tailed) is $0.200 < 0.05$, which indicates statistical significance, according to the SPSS output table. The data can be considered to be normally distributed based on the previously mentioned standard to evaluate whether the data pass the kolmogorov-smirnov test thus, the normality conditions have been met by the regression model.

Table 4. Multi-Anyllability Test

Model	Collinearity statistic	
	Tolerance	LIVE
Consist of	0,369	2,115
X1	0,278	2,130
X2	0,255	5,099

Table 5. Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.818a	.669	.653	1.92945

a. Predictors: (Constant), rewards, work motivation

Table 6. Test F

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Say.
1	Regression	301.275	2	150.638	40.464	<.001b
	Residual	148.911	40	3.723		
	Total	450.186	42			

a. Dependent Variable: employee performance

b. Predictors: (Constant), rewards, work motivation

Table 7. T Test

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	t
1	(Constant)	-.243	1.318		-.184
	motivasi kerja	.137	.103	.132	1.332
	reward	.658	.086	.757	7.639

a. Dependent Variable: kinerja karyawan

There was a significance value of the work motivation variable of 0.190, greater than 0.05, and a calculated t-value of 1.332. The results showed that work motivation did not have a significant effect on employee performance at the Minprint Bekasi Printing Plant. Therefore, the hypothesis that work motivation affects employee performance is rejected. The results show that employees' motivation levels cannot directly

improve their performance. The reward system, work environment, leadership, and organizational culture are some of the other more dominant factors that affect performance. The results of the study show that work motivation alone is not enough to improve performance without the help of other variables. Research shows that work motivation does not affect worker performance. The results show that companies' efforts to increase their motivation have not fully resulted in improved performance. Therefore, the intrinsic and extrinsic motivation programs used must be evaluated by management. Companies can increase employee motivation by offering opportunities for career growth, training and skill development, more open communication between leaders and employees, and a supportive work environment. In addition, companies must know what their employees want and what they expect so that the motivation strategies used can be tailored to their characteristics and needs.

However, with a calculated t-value of 7.639 and a regression coefficient of 0.658, the reward variable obtained a significance value of less than 0.001, which is smaller than 0.05. The results of the simultaneous test (F test), with a significance value of less than 0.001 and a calculated F value of 40.464, showed that salary had a positive and significant effect on employee performance, so the hypothesis about the effect of salary on employee performance was accepted. The coefficient of determination (R^2) is 0.669. The results of the study show that rewards affect employee performance positively and significantly. Therefore, management must maintain and establish a fair, clear, and performance-based payment system. A clear and measurable reward system will encourage employees to improve productivity, quality of work, and commitment to the organization. Awards can be financial awards, such as bonuses, incentives, and achievement awards, as well as recognition of work achievements, opportunities to promote positions, and opportunities to participate in training. Therefore, businesses can use rewards as a strategic tool to improve their performance and competitiveness.

This study adds to the literature by giving empirical data on the function of the Tunas Artha Mandiri Syariah Savings and Loan Cooperative in enhancing the welfare of its members and the surrounding communities in Singaparna, Tasikmalaya Regency, through accessible MSME finance. Unlike past studies that have exclusively focused on cooperatives' financial performance, this study incorporates the cooperative's contribution to local economic empowerment, job creation, and human resource development within a community-based Islamic cooperative framework.

CONCLUSION AND RECOMMENDATION

Research shows that rewards and work motivation affect employee performance simultaneously. Therefore, management must not only provide rewards, but also combine them with programs to increase work motivation. Working conditions that can continuously improve employee performance will be formed when there is a good reward system, a good work environment, supportive leadership, and opportunities for growth. This strategy allows companies to achieve organizational goals more efficiently while increasing employee satisfaction and employee loyalty.

Some limitations of this study should be considered. First, this study was limited to employees of Minprint Bekasi Printing, which consisted of 43 respondents. Therefore, the results cannot be generalized to other companies with different features. Second, the study looked at only two independent variables, work motivation and compensation. However, there are many other factors that can affect employee performance, such as leadership, organizational culture, job satisfaction, work discipline, and compensation. Third, the use of questionnaires that depend on respondents' perceptions allows subjectivity in the results of data collection. In addition, because this research was conducted with a quantitative approach, this study could not thoroughly explore the underlying reasons for employee behavior and perception related to work motivation, performance, and rewards.

According to research, companies are advised to continue developing a fair, transparent, and performance-based payment system as it is proven to improve employee performance. Additionally, companies should evaluate programs to improve work motivation to better suit the needs and characteristics of their employees, such as through training, career development, constructive feedback, and well-being improvement. In order for the results of the research to be better generalized, researchers must further expand their research subjects to include a wide range of businesses or industries. They also have to increase the number of samples. Leadership, job satisfaction, work environment, organizational culture, and compensation are some of the other factors that can affect employee performance. Advanced research can provide a better understanding of what affects employee performance.

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