

The Effect Of Reward And Job Satisfaction On Employee Performance At Arteria Daya Mulia

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Abstract

Suboptimal labor productivity is a sign of issues with employee performance that can be impacted by a number of things, such as rewards and job satisfaction implemented by the company. Using a quantitative associative design, this research seeks to analyze how rewards and job satisfaction affect employee performance at PT Arteria Daya Mulia. The study involved 110 respondents selected through purposive sampling, with data collected using a five-point Likert scale questionnaire and analyzed using multiple linear regression, t-tests, and F-tests. The regression equation for this relationship is $Y = -3.162 + 0.572X_1 + 0.628X_2$. The results showed that Reward significantly affected Employee Performance ($t = 9.310$) and Job Satisfaction also had a significant effect ($t = 13.261$). Simultaneously, Reward and Job Satisfaction significantly influenced Employee Performance ($F = 143.086$) and explained 72.3% of the variance in employee performance. These findings suggest that effective reward management and high job satisfaction contribute significantly to improving employee performance.

Keywords: Employee Performance, Job Satisfaction, Reward

INTRODUCTION

The ability of individuals or organizations to efficiently produce output by making use of existing resources is measured by labor productivity. Nevertheless, Indonesia's workforce productivity levels are still below ideal. Indonesian workers' productivity continues to lag behind that of other ASEAN nations, according to data from the National Development Planning Agency (Bappenas). Economic growth and businesses' ability to compete across a range of industries may be impacted by this circumstance. Employee performance is one element that influences labor productivity.

Employee performance plays a strategic role in determining organizational effectiveness and long-term competitiveness. Employees who perform well contribute to higher productivity, improved operational efficiency, and the successful achievement of organizational objectives. Therefore, organizations need to identify and manage the factors that influence employee performance to ensure sustainable organizational growth.

Employee performance refers to the outcomes achieved by employees within a specified period through the completion of assigned duties and responsibilities aimed at achieving organizational objectives (Warella et al., 2021). Employee performance is not only affected by technical abilities, but also by the reward system and job satisfaction implemented by the company. Rewards are a form of appreciation given by the company to employees for their contributions. According to Handoko (2021), appropriate rewards can increase employee motivation, thereby promoting better work performance among employees. This finding is in line with Herzberg's two-factor theory (1959), which proposes that rewards and recognition contribute to job satisfaction, thereby enhancing employee performance. Additionally, research by Manzoor et al. (2021) demonstrates that rewards significantly and favorably affect employee performance.

These findings are consistent with more recent evidence indicating that employees who perceive rewards as fair and meaningful tend to exhibit higher work motivation and better performance outcomes. Furthermore, employee satisfaction with both financial and non-financial

rewards has been shown to positively influence task performance and contextual performance, highlighting the importance of implementing a comprehensive reward system within organizations (Li et al., 2023).

Job satisfaction is a crucial factor that affects employee performance in addition to rewards. Job satisfaction refers to the positive or bad feelings that workers have about their occupations. Employees that are truly content with their professions often exhibit positive attributes like discipline, loyalty, and strong work passion. Job satisfaction has a favorable and considerable impact on employee performance, according to research by Anggraini et al. (2023). This finding is supported by Kitsios and Kamariotou (2021), who found that employees with higher job satisfaction were more likely to exhibit stronger organizational commitment and better performance.

Previous studies have shown that rewards and job satisfaction are important determinants of employee performance. Garini and Heryjanto (2021) found that rewards and job satisfaction positively influence employee performance. Similarly, Filatrovi (2022) reported that rewards and job satisfaction significantly improve employee performance. In addition, Mohyi (2022) demonstrated that job satisfaction plays a significant role in enhancing employee performance. Although previous studies have consistently confirmed the positive influence of rewards and job satisfaction on employee performance, differences in organizational characteristics and human resource management practices may produce varying outcomes across companies. Therefore, further empirical studies are needed to examine whether these relationships are also evident in different organizational settings. PT Arteria Daya Mulia, a fish-net manufacturer, has implemented a reward system among its employees. However, initial observations show that its effectiveness has not been fully attained. This can be determined through the ongoing differences in how employees perform and the various concerns raised about personal growth and working conditions. Therefore, investigating the influence of rewards and job satisfaction on employee performance at PT Arteria Daya Mulia is expected to provide empirical evidence that can support managerial decision-making and contribute to improving employee performance.

RESEARCH METHODS

Research Design

The present study aims to assess how rewards and job satisfaction affect employee performance using a quantitative method with an associative approach (Machali, 2021).

Research Population and Sample

The research included all 2,084 employees from the production department at PT Arteria Daya Mulia. The sample size of 110 respondents was determined using the Slovin formula. The method used for selecting participants was purposive sampling, where respondents were chosen based on specific criteria established by the researcher (Machali, 2021).

Research Variables

Employee performance (Y) was the dependent variable, whereas reward (X1) and job satisfaction (X2) were the independent factors.

Data Collection Techniques

Respondents were given questionnaires with a five-point Likert scale ranging from strongly disagree to strongly agree in order to collect data (Sugiyono, 2019). The primary data used in this study came straight from the respondents, and secondary data came from pertinent books and scholarly publications.

Data Analysis

The research instruments were assessed through validity and reliability checks to confirm that they were appropriate for measuring the intended concepts. The data was analyzed using

SPSS software, involving descriptive analysis, tests for classical assumptions such as normality and multicollinearity, multiple linear regression analysis. To assess the hypothesis, t-tests were used to examine the individual impact of variables, while F-tests were applied to evaluate the combined effect among the variables.

RESULTS AND DISCUSSION

The study's findings show how employee performance is impacted by rewards and job satisfaction.

Respondent Characteristics

Table 1 Respondent Characteristics

Characteristics	N	%
Age		
12-25 years old	51	46.4
26-45 years old	56	50.9
46-56 years old	3	2.7
Gender		
Male	99	90
Female	11	10
Education Level		
Junior High School	4	3.6
Senior High School	103	93.6
College/University	3	2.7
Length of Employment		
<6 months	29	26.4
<1 year	23	20.9
2-5 years	30	27.3
6-10 years	14	12.7
>10 years	14	12.7

Table 1 displays the respondents' attributes according to frequency distribution. Most of the respondents were aged 26–45 years old, male, had a high school education, and had been working for 2–5 years.

Instrument Validity and Reliability

According to the instrument validity test, every statement item had a computed r value higher than the table r (0.1874), indicating the validity of every item. Additionally, the reliability test revealed that every variable had a Cronbach's Alpha value of at least 0.70.

Classic Assumption Test

Normality Test

The results of the normality test indicate that the Asymp.Sig. (2-tailed) value is 0.200, indicating that the residuals meet the normality assumption, so the application of multiple linear regression analysis is deemed feasible.

Multikolinearitas Test

The purpose of this test is to ascertain whether independent variables are correlated. If the tolerance value is greater than 0.10 and the VIF is less than 10, the regression model is deemed to be free of multicollinearity. The findings of the analysis demonstrate that the Reward and Job Satisfaction variables match the requirements for multicollinearity with tolerance values of 0.992

and VIF values of 1.008. As a result, the independent variables in the model do not strongly correlate with one another.

Regression Analysis

Multiple Linear Regression

The impact of Reward (X1) and Job Satisfaction (X2) on Employee Performance (Y) is evaluated using Multiple Linear Regression. The regression equation is displayed in the analysis results:

$$Y = -3.162 + 0.572X_1 + 0.628X_2.$$

According to these findings, employee performance is positively and significantly impacted by reward and job satisfaction ($p = 0.000 < 0.05$).

Coefficient of Determination

The degree to which independent variables influence dependent variables can be ascertained using the coefficient of determination. With an adjusted R-square value of 0.723, the findings indicate that 72.3% of the variation in employee performance can be explained by reward and job satisfaction, with other factors outside the model accounting for the remaining 27.7%.

Hypothesis Test

Table 2 T Test

Table 2.1 Test						
Coefficients a						
		Unstandardized Coefficients	Standardized Coefficients			
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-3.162	2.537		-1.246	0.215
	Reward (X1)	0.572	0.061	0.471	9.310	0.000
	Job Satisfaction (X2)	0.628	0.047	0.671	13.261	0.000

Since the computed t-value for Reward (X1) is $9.310 > t\text{-table} (1.659)$, H_0 is rejected, suggesting that Reward significantly and favorably affects Employee Performance (Y).

In a similar vein, H_0 is rejected because the computed t-value for Job Satisfaction (X2) is $13.261 > t\text{-table} (1.659)$. This suggests that Employee Performance (Y) is positively and significantly impacted by Job Satisfaction as well.

Tabel 3 F Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3881.556	2	1940.778	143.086	0.000 ^b
	Residual	1451.316	107	13.564		
	Total	5332.873	109			

The F table value of 3.08 is significantly less than the computed F value of 143.086. Therefore, H_0 is rejected and H_1 is accepted. This demonstrates that Employee Performance (Y) is positively and significantly impacted by both Reward (X1) and Job Satisfaction (X2).

Discussion

1. The Influence of Reward (X1) on Employee Performance (Y)

The research findings indicate that the Reward variable has a significance level of 0.000 and a t-value of 9.310. This number is higher than the essential t-table value of 1.659, suggesting that employee performance is positively and statistically significantly impacted by rewards. This indicates that PT Arteria Daya Mulia has implemented suitable and effective reward mechanisms, which in turn motivate employees to enhance their performance. These results align with the study conducted by Manzoor et al. (2021), which also found that rewards positively and significantly influence employee performance. The inclusion of rewards such

as appreciation, recognition, trust, and developmental opportunities can inspire employees to perform more efficiently and effectively.

2. The Influence of Job Satisfaction (X2) on Employee Performance (Y)

According to the study's findings, the Job Satisfaction variable had a t-value of 13.261 at a significance level of 0.000. Employee performance is positively and significantly impacted by job satisfaction, as indicated by the t-value being more than 1.659. This demonstrates that PT Arteria Daya Mulia has been successful in increasing employee job satisfaction, which has a favorable effect on output. This study supports Dwaikat (2023) findings that employee performance is positively and significantly impacted by job satisfaction. According to the research, workers who are very satisfied with their jobs typically have a more positive work attitude, demonstrate greater commitment, and are able to do tasks more efficiently, all of which lead to an increase in employee performance.

3. The Influence of Rewards (X1) and Job Satisfaction (X2) on Employee Performance (Y)

The computed F value is 143.086 based on the study's findings. The findings show that employee performance is positively and significantly impacted by rewards and job satisfaction, suggesting that both elements lead to improved performance, indicating that both factors contribute to better performance. These results reflect that PT Arteria Daya Mulia has implemented a reward system and created an appropriate level of job satisfaction, which simultaneously has a positive effect on enhancing employee performance. This is in line with the research by Tarigan et al. (2021), which states that rewards and job satisfaction simultaneously have a positive and significant effect on employee performance. The research indicates that introducing a proper reward system along with a strong sense of job satisfaction can lead to the best possible improvement in employee performance.. With fair rewards and high job satisfaction, employees tend to have good work motivation, show high commitment to the organization, and are able to contribute maximally to the achievement of organizational objectives.

CONCLUSION

Based on the research results, rewards and job satisfaction significantly and positively affect employee performance. Appropriate rewards can motivate workers to perform better, increase productivity, and achieve set work goals. In addition, job satisfaction contributes to enhancing employee performance, as employees who experience job satisfaction tend to demonstrate positive behavior, enthusiasm, and high commitment to the company. Rewards and job satisfaction, which represent external and internal motivational factors, can work together to improve employee performance when effectively managed by the company. The multiple linear regression analysis produced the equation $Y = -3.162 + 0.572X_1 + 0.628X_2$. Reward had a significant positive effect on employee performance ($t=9.310$), while job satisfaction also showed a significant positive effect ($t=13.261$). Simultaneously, both variables significantly affected employee performance ($F=143.086$) and explained 72.3% of the variance in employee performance. These findings indicate that strengthening reward management and improving job satisfaction can be effective strategies for enhancing employee performance within the organization

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