

## THE EFFECT OF THE REWARD SYSTEM ON WORK MOTIVATION, PERFORMANCE, AND JOB SATISFACTION OF EMPLOYEES OF THE NURUL HIKMAH SANGATTA FOUNDATION

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### Abstract

This study aims to analyze the effect of reward systems on work motivation, employee performance, and job satisfaction at Yayasan Nurul Hikmah Sangatta. As an educational and social institution based on Islamic values, the foundation requires human resources with high motivation, optimal performance, and good job satisfaction to support the achievement of organizational goals. This research employed a quantitative approach using an associative method. Data were collected through questionnaires distributed to all foundation employees and analyzed using simple linear regression techniques. The results indicate that the reward system has a positive and significant effect on employee work motivation. However, the reward system does not have a significant effect on employee performance or job satisfaction. These findings suggest that the implemented rewards are effective in encouraging employee enthusiasm and motivation, but are not sufficient to directly improve work outcomes and job satisfaction levels. Therefore, it can be concluded that the foundation needs to develop a more comprehensive reward system by considering financial, non-financial, social, and spiritual aspects in order to generate a broader impact on human resource management.

**Keywords:** Reward System; Work Motivation; Employee Performance; Job Satisfaction; Educational Foundation.

### INTRODUCTION

Human resources are a strategic factor that determines an organization's success in achieving its stated goals. In an era of increasingly complex competition, organizations are required to manage human resources effectively to maintain sustainability and improve the quality of services provided. One crucial aspect of human resource management is the reward system implemented for employees.

A reward system is a form of organizational appreciation for employee contributions and work achievements. Rewards can be given in financial or non-financial forms to increase motivation, loyalty, and work commitment. Organizations that implement a fair and transparent reward system tend to have higher levels of employee motivation and engagement. Conversely,

a reward system that does not align with employee expectations can lead to dissatisfaction and decrease work productivity.

The Nurul Hikmah Sangatta Foundation is an educational and social institution based on Islamic values. In carrying out its activities, the foundation requires employees with high work motivation, optimal performance, and good job satisfaction. However, based on conditions found in the field, there are still differences in employee perceptions regarding the implemented reward system, which has the potential to influence their work behavior.

Theoretically, the relationship between reward systems and work motivation can be explained through Expectancy Theory, Equity Theory, and Herzberg's Two-Factor Theory. These three theories explain that fair and appropriate rewards commensurate with individual contributions will encourage increased motivation and positive work behavior.

Previous studies have shown mixed results regarding the effect of reward systems on work motivation, performance, and job satisfaction. Most studies found a positive effect of reward systems on these variables, but some studies have shown different results depending on the characteristics of the organization and the work environment.

Based on these conditions, this study was conducted to re-examine the effect of reward systems on work motivation, employee performance, and employee job satisfaction at the Nurul Hikmah Sangatta Foundation.

## **THEORETICAL FRAMEWORK**

### **Reward System**

A reward system is a crucial instrument in human resource management that organizations use to recognize employee contributions, achievements, and work behavior. According to Hasibuan (2020), rewards are rewards provided by organizations to employees for their work. Reward systems aim to increase employee motivation, loyalty, productivity, and job satisfaction, thereby supporting the achievement of organizational goals.

Dessler (2015) explains that a reward system encompasses all forms of compensation received by employees, both financial and non-financial. Financial rewards can include salary, bonuses, incentives, and allowances, while non-financial rewards can include recognition, promotions, career development opportunities, and social recognition. An effective reward system must create a perception of fairness so that employees feel that their efforts and contributions are appropriately rewarded.

According to Rivai (2018), a properly designed reward system will encourage productive work behavior and increase organizational commitment. Conversely, an unfair reward system can lead to dissatisfaction, internal conflict, and decreased performance.

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Therefore, organizations need to ensure that rewards are awarded objectively, transparently, and based on performance.

In the context of the Nurul Hikmah Sangatta Foundation, an Islamic-based educational and social institution, the reward system serves not only as a means of compensation but also as a means of strengthening moral and spiritual values. The rewards given must reflect the values of justice, trustworthiness, and appreciation for service, thereby strengthening employees' emotional attachment to the organization.

### **Work Motivation**

Work motivation is an internal or external drive that causes a person to be willing to perform a task to achieve a specific goal. Robbins and Judge (2017) define motivation as a process that explains an individual's intensity, direction, and persistence in achieving a goal. Motivation plays a crucial role because it determines a person's level of enthusiasm, commitment, and productivity at work.

One theory widely used to explain work motivation is Maslow's Hierarchy of Needs. This theory states that human needs are arranged in stages, ranging from physiological, safety, social, esteem, to self-actualization. Employees will be motivated if these needs are met through their work.

Furthermore, Herzberg, through his Two Factor Theory, explained that there are two groups of factors that influence work motivation: hygiene factors and motivating factors. Hygiene factors include salary, working conditions, and work relationships, while motivating factors include achievement, recognition, responsibility, and development opportunities. Motivating factors are considered to play a greater role in increasing employee morale and satisfaction.

Vroom's Expectancy Theory explains that a person's motivation is influenced by the belief that their efforts will result in a certain level of performance, and that this performance will result in a valuable reward. Therefore, the higher an individual's perception of the benefits of the reward, the higher their work motivation.

Within the Nurul Hikmah Sangatta Foundation, work motivation stems not only from economic factors but also from values of devotion, preaching, and service to the community. Therefore, intrinsic motivation plays a crucial role in shaping employee work behavior.

### **Employee Performance**

Employee performance is the work results achieved by an individual based on the standards and responsibilities assigned by the organization. Mangkunegara (2017) states that

performance is the quality and quantity of work achieved by an employee in carrying out their duties according to their assigned responsibilities.

According to Robbins and Judge (2017), performance is a function of ability, motivation, and opportunity to work. Good performance indicates that employees are able to carry out their work effectively and efficiently, thereby achieving organizational goals.

Hasibuan (2020) explains that performance is influenced by various factors such as work ability, motivation, leadership, work discipline, the work environment, and the reward system implemented by the organization. Employees who receive rewards commensurate with their contributions tend to have higher work morale and are motivated to improve their performance.

In educational institutions such as the Nurul Hikmah Sangatta Foundation, employee performance is measured not only by achieving administrative targets but also by the quality of educational services, the ability to work together, responsibility, and contributions to the institution's development. Therefore, performance evaluations must be conducted objectively and continuously to ensure the quality of organizational services is maintained.

### **Job Satisfaction**

Job satisfaction is an emotional state that indicates a person's level of enjoyment of their job. According to Robbins and Judge (2017), job satisfaction is a positive feeling about work resulting from an evaluation of its characteristics.

Herzberg's Two-Factor Theory explains that job satisfaction is influenced by motivating factors such as achievement, recognition, responsibility, and self-development. Meanwhile, job dissatisfaction is influenced by hygiene factors such as salary, working conditions, and interpersonal relationships.

According to Busro (2018), high job satisfaction will result in greater loyalty, discipline, and organizational commitment. Conversely, low job satisfaction can lead to absenteeism, workplace conflict, and high employee turnover.

In religious-based organizations like the Nurul Hikmah Sangatta Foundation, job satisfaction is determined not only by financial aspects, but also by a harmonious work environment, opportunities for worship, good social relationships, and recognition for employee dedication. Therefore, increasing job satisfaction requires an approach that is not solely materially oriented but also considers social and spiritual aspects.

The Relationship between Reward Systems and Work Motivation, Performance, and Job Satisfaction

Theoretically, reward systems are closely related to employee work motivation, performance, and job satisfaction. Vroom's Expectancy Theory explains that valuable rewards will increase an individual's motivation to perform better. Adams's Equity Theory also states that perceptions of fairness in reward distribution will influence employee attitudes and behaviors.

Employees who perceive they are fairly rewarded will be more motivated, demonstrate better performance, and experience greater job satisfaction. Conversely, if rewards are perceived as disproportionate to their contributions, this can lead to dissatisfaction, decreased motivation, and decreased performance quality.

Thus, reward systems are a strategic factor in human resource management that organizations can utilize to improve work effectiveness and achieve organizational goals.

## METHOD

This research employed a quantitative approach with an associative method. The independent variable was the reward system, while the dependent variables were work motivation, employee performance, and job satisfaction.

Data collection was conducted using a Likert-scale questionnaire administered to all employees of the Nurul Hikmah Sangatta Foundation. Data analysis was conducted through validity, reliability, classical assumptions, simple linear regression, t-tests, and coefficient of determination tests using SPSS software.

## RESULT AND DISCUSSION

### The Influence of Reward Systems on Work Motivation

The analysis results show that the reward system has a positive and significant effect on work motivation. The significance value of 0.000 is less than 0.05, thus accepting the first hypothesis. The coefficient of determination of 82.5% indicates that work motivation is largely influenced by the reward system.

These findings support Vroom's Expectancy Theory, which explains that individuals will increase their effort if they believe it will result in a valuable reward.

Table 1. T-Test Results for Work Motivation Variable (Y1)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.595	2.034		.784	.438
	X	.832	.065	.908	12.857	.000

### The Influence of Reward Systems on Employee Performance

The results of the study indicate that the reward system does not significantly impact employee performance. A significance value of 0.787 indicates that the relationship is not statistically strong.

This indicates that employee performance at the Nurul Hikmah Sangatta Foundation is influenced not only by the reward system but also by competence, leadership, organizational culture, and other factors.

Table 2. T-Test Results for Employee Performance Variable (Y2)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	28.477	6.289		4.528	.000
	X	-.054	.200	-.046	-.272	.787

### The Influence of Reward Systems on Job Satisfaction

The research results also showed that the reward system had no significant effect on job satisfaction. A significance value of 0.295 indicates that job satisfaction is influenced by factors other than the rewards received.

In the context of a religious foundation, job satisfaction is likely more influenced by spiritual factors, the meaning of work, social relationships, and opportunities to contribute to society.

Table 1. T-Test Results for Job Satisfaction Variable (Y3)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	23.341	5.436		4.294	.000
	X	.184	.173	.177	1.063	.295

### CONCLUSION

1. The reward system has a positive and significant effect on employee work motivation at the Nurul Hikmah Sangatta Foundation.
2. The reward system does not significantly influence employee performance.
3. The reward system does not significantly influence employee job satisfaction..

### RECOMMENDATION

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1. The foundation needs to develop a more comprehensive, performance-based reward system.
2. Non-financial rewards such as recognition, training, and career development need to be strengthened.
3. The integration of spiritual values into the reward system needs to be maintained and enhanced.
4. Further research could include other variables such as leadership, organizational culture, and work environment.

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