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## Reward Satisfaction as a Driver of Employee Performance at Toraja Indonesian Christian University

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DOI: <https://doi.org/10.56457/jimk.v12i2.654>

Received: October 23, 2024

Accepted: December 23, 2024

Published: December 30, 2024

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### ABSTRACT

This study aims to analyze and determine the role of satisfaction with rewards (financial reward satisfaction, material reward satisfaction, psychological reward satisfaction) on the performance of lecturers and employees at UKI Toraja. The data collection procedures for this study are observation, interviews, questionnaires, and literature studies. The method used in this study is a quantitative method using multiple linear regression and processed using SPSS. This study was conducted on lecturers and employees of UKI Toraja with a sample of 76 respondents. The results of the study revealed that the three dimensions of rewards, namely FRS, MRS and PRS, can improve performance. This indicates that when someone feels satisfied with financial and non-financial rewards, it will have an impact on improving performance. The role of management is very much needed in this case to integrate the dimensions of rewards so that employee performance can be achieved optimally.

Keywords: Reward satisfaction, Employee performance

### INTRODUCTION

Competitive free market, corporate restructuring tendencies, slow economic growth and strong focus on short-term profits have dramatically changed traditional employment relationships where every organization is required to make rapid changes. The success of today's companies is highly dependent on the role of human resources to contribute to the goals and sustainability of the organization in industrial competition (Iyigun, et al, 2012). In various literatures, performance has a very varied definition. Based on the existing understanding, it can be categorized into two.

First, understand performance as a result or outcome. Second, performance refers to the understanding of employee behavior. In discussing performance, it is necessary to know the potential abilities possessed by employees which are the strengths they have so that they are expected to complete their work in order to obtain optimal results.

In this study, performance includes actions that are relevant to organizational goals. One of the important goals in an organization is the creation of satisfaction with the rewards given

to members of the organization concerned to further improve their performance. Employees are important assets owned by the company. Employee performance is very important for the progress and sustainability of the company in addition to innovative strategies and products. Good performance is influenced by satisfaction with the rewards obtained in the company. In other words, a quality company is a company that has a good quality of work life, can provide welfare for employees so that they produce quality and competent employees (Rose, 2009).

Reward satisfaction is defined as total employee satisfaction with the rewards given (De Gieter and Hofmans 2015). Reward satisfaction is categorized into three, namely financial rewards, material rewards, and psychological rewards (De Gieter et al. 2008a; De Gieter and Hofmans 2015). Financial rewards are in the form of basic salary, bonuses, and allowances given with money. Material rewards or in-kind rewards are real rewards that are not given in the form of money but have monetary value such as the opportunity to take part in training, health insurance, etc. While psychological rewards



are rewards that do not contain monetary value but are shown with words or attitudes to evaluate positive results carried out by employees such as praise, recognition, etc. Rewards have been proven to be a tool to improve performance and change the behavior of dissatisfied employees. Employees as company assets and they are the hands and brains involved in organizational activities. Therefore, a fair reward system can build job satisfaction and productive behavior in an employee (Mehmood 2013). The reward system also plays an important role in motivating workers to innovate (Anku, Amewugah, and Glover 2018). Thus, with a sense of satisfaction from employees, productive behavior and motivation will be formed in employees which over time will improve employee performance in the Company.

The reward system consists of all components of the organization, including people, processes, rules and procedures, and decision-making activities, involved in allocating compensation and benefits to employees in return for their contributions to the organization. Rewards are not only measured in material and financial terms, but are also influenced by the interaction between humans and the organizational environment, at certain times employees can be stimulated by economic or material rewards (material rewards) or economic benefits (economic rewards).

This study uses financial reward satisfaction, material reward satisfaction and psychological reward satisfaction, where the three concepts are dimensions of reward satisfaction that will be used in this study. Previous studies mostly focus only on financial and material rewards (Arianto and Syihabudhin 2018a; De Gieter et al. 2012a; Hardianto, Rugaiyah, and Rosyidi 2019a; Khalid 2020; Mehmood and Hassan 2016; Prasetyo, Azis, and Anggadwita 2019a; Rahman and Rivai 2019b; Silaban and Syah 2018a). Psychological reward is the main construct that will be seen in this study, however, other constructs in this study are also important as a

unity of reward satisfaction. Positive employee psychology is characterized by self-efficacy, optimism in what is done, having hope for the future, resilience. These four things are believed to be able to contribute to improving a person's performance so that the potential of employee competence can be used optimally and can support the organization in achieving its success. Low psychological conditions will result in low productivity/performance, high absenteeism, and employee tardiness. Although the organization has tried to provide a good psychological environment, employees will not do their best if they are not happy/satisfied with their work.

Education is an important pillar in the development of a nation. Higher education is the highest educational institution in Indonesia so it is expected to be one of the national educational facilities that can be the core of the implementation and development of higher education in science and technology and to improve the quality of life of the community, nation and state. Every lecturer profession has several important aspects to study, this is because a lecturer is an indicator in achieving the goals of higher education. One of them is the performance of lecturers which is a demand in the development of science today. Lecturer performance is in the form of work results that have been based on the targets and targets of the tridharma that have been set. Good lecturer performance will have an impact on the performance of the institution where they are housed. Higher education in Indonesia still faces problems in terms of achieving lecturer performance targets that have been determined by the government nationally. Problems related to the performance of lecturers who are the spearhead of the quality of higher education in Indonesia are still not satisfactory. In a study conducted (hafni et.al., 2022) information sourced from the Sub-Division of Information and Publication of PDDIKTI in 2020 data shows data on lecturers at universities in Indonesia based on academic positions during 2020. Which informs that the academic positions of lecturers are dominated by lecturers with academic positions of

Lecturer as many as 43691 or 36.54% of the total number of Lecturers who have functional positions in Indonesia, while the number of professors is only 4.26% of the total number of Lecturers. This does not meet the standards set by the National Accreditation Board for Higher Education (BAN-PT) regarding the number of lecturers who need to be active in universities with a minimum of 40% of the number of permanent lecturers involved in educational activities.

Based on Law No. 14 of 2005, it is stated that every lecturer is required to perform optimally in accordance with their competence and professionalism in their field or at least be able to master and be able to carry out the demands of their duties and responsibilities. This will be difficult to achieve if the psychological and social conditions and the rewards (reward satisfaction) that are felt do not support because basically the performance of lecturers requires concentration and enthusiasm in working and this can be realized if there is a harmonious relationship, a conducive organizational communication climate and a sense of satisfaction with the rewards received so that it will create satisfaction, comfort and peace in working.

This study focuses on employee satisfaction with the rewards they receive during their work. The variables in the study (financial reward satisfaction, material reward satisfaction, psychological reward satisfaction) are part of the reward satisfaction concept. Previous studies have focused more on satisfaction with financial and material rewards, while the psychological side has not been widely studied and its impact on employee performance. Good employee psychology indicates good mental health so that intangible aspects such as psychological reward satisfaction are expected to have a positive impact on employee performance. Based on this background, the focus of this study is to see the impact of reward satisfaction on the performance of lecturers/employees at UKI Toraja.

## METHOD

The approach used in this study is quantitative because the data used to analyze the relationship between variables is expressed in the form of numbers or numeric scales. The type of data in this study is primary data derived from respondents' answers to the questionnaires distributed. Primary data is research data obtained directly from the original source. The method used in this study is a survey method with a non-probability technique, namely purposive sampling. The purposive sampling technique is a sampling technique based on considerations regarding which sample is most appropriate, useful and considered to be able to represent a population (representative). The population in this study included lecturers and employees who were active and working at UKI Toraja, totaling 330 people. The determination of the research sample used the Slovin equation so that the number of samples was calculated and based on the results of the sample determination calculation, the total number of samples was 76 people.

Financial reward satisfaction (FRS) will be measured by the indicator of the level of satisfaction of the payment received and satisfaction of the increase in financial payment. Material reward Satisfaction (MRS) is measured by the indicator of the level of satisfaction of the material received and satisfaction of the increase in material obtained. Psychological Reward Satisfaction (PRS) will be measured through the indicators of recognition, trust, praise, appreciation and encouragement. Employee performance will be measured through the indicators of quantity of work, quality of work, knowledge and responsibility. Data collection using questionnaires distributed directly and measurement using a Likert scale (1-5). Data is processed using SPSS. The stages of data analysis in this study include

research instrument testing, classical assumptions, and hypothesis testing.

**RESULTS and DISCUSSION**  
 Descriptive Analysis of Research

**Table 1. Descriptive analysis**

Item	STS	TS	KS	S	SS	Amount	Average	Note
X1.1		3	2	50	21	76	4.17	B
X1.2			5	53	18	76	4.17	B
Average							4.17	B
Item	STS	TS	KS	S	SS	Amount	Average	Note
X2.1			2	58	16	76	4.18	B
X2.2				43	33	76	4.43	SB
Average							4.3	SB
Item	STS	TS	KS	S	SS	Amount	Average	Note
X3.1				42	34	76	4.45	SB
X3.2			4	51	21	76	4.22	SB
X3.3			3	49	24	76	4.28	SB
X3.4			2	58	16	76	4.18	B
X3.5		2	2	42	30	76	4.32	SB
Average							4.29	SB
Item	STS	TS	KS	S	SS	Amount	Average	Note
Y1.1			2	56	18	76	4.21	SB
Y1.2				42	34	76	4.45	SB
Y1.3			4	51	21	76	4.22	SB
Y1.4			4	53	19	76	4.20	B
Average							4.27	SB

Based on the table above, it can be seen that the average respondent's answer for each variable indicator is in the very good category or more than 4.20 except for the FRS indicator, the average answer is in the good category or below 4.20. While the average respondent's answer for the MRS, PRS and performance indicators is in the very good category with an average value of more than 4.20. This means that the satisfaction with the

rewards felt by the respondents is very good, especially for non-financial rewards (Material and Psychological), although in this case the satisfaction with financial rewards is not optimal compared to rewards in the form of psychology and material.

**Validity and Reliability Test**

The results of the Validity test for the Compensation variable (X1) can be seen in the table below:

**Table 2. Results of the FRS MRS and PRS Validity Test**

Item	Corrected Item total correlation	rtable	Information
X1.1	0.653	0.195	Valid
X1.2	0.665	0.195	Valid
X2.1	0.66	0.195	Valid
X2.2	0.732	0.195	Valid
X3.1	0.711	0.195	Valid
X3.2	0.551	0.195	Valid
X3.3	0.249	0.195	Valid
X3.4	0.318	0.195	Valid
X3.5	0.548	0.195	Valid

Source: Data processed by SPSS

Based on the table above, it can be seen that all questionnaire statements for FRS (X1), MRS (X2) and PRS (X3) have valid criteria or status according to the provisions of  $r_{count} > r_{table}$ , then the variables are said to be valid.

**Reliability Test**

The results of the reliability test in this study can be seen in the table below:



Table 3. Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,902	,907	13

The table above shows that the value of 0.60, which indicates that the variables in this study are valid.

**Hypothesis Testing**

Table 4. t-Test Results (Partially)

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,339	,224		1,512	,135
	X1	,212	,045	,308	4,666	,000
	X2	,400	,075	,441	5,332	,000
	X3	,299	,093	,313	3,221	,002

a. Dependent Variable: Employee Performance

Based on the table above, it can be seen that:

1. It is known that the significance value for the influence of X1 on Y is 0.000, which is smaller than 0.05. This means that financial reward satisfaction (FRS) has an effect on employee performance.
2. It is known that the significance value for the influence of X2 on Y is 0.000, which is smaller than 0.05. This means that Material reward satisfaction (MRS) has an effect on employee performance.
3. It is known that the significance value for the influence of X2 on Y is 0.002, which is smaller than 0.05. This means that psychological reward satisfaction (MRS) has an effect on employee performance.

**CONCLUSION**

Based on the results of the study, financial reward satisfaction (FRS) has a positive effect on employee performance with a significance value of 0.00 or less than 0.05. This can be interpreted that the higher the satisfaction of financial rewards received by employees, the better the performance of the employees. Conversely, if satisfaction with the financial rewards received is low, it will have an impact on the low performance of the employees. The assessment of the FRS attribute is obtained from the respondents' perceptions of the indicators of satisfaction with the pay received and satisfaction with the increase in pay received. The respondents' perceptions of this indicator are in the good category with a value

of 4.17 from a maximum value of 5. Respondents assume that the compensation and compensation increase system in the form of money implemented by the institution are in accordance with the respondents' expectations. Giving rewards or awards to employees who excel will motivate employees to further improve their performance and provide job satisfaction (NurSaadah 2017). Financial rewards (eg basic salary, bonuses) have the potential to motivate employees from their instrumental value because money can be exchanged for desired goods and services (De Gieter et al. 2008). So that satisfaction with the financial rewards received by employees can be a stimulus to improve their performance

Material reward satisfaction (MRS) has a positive effect on employee performance with a significance value of 0.00 or less than 0.05. This means that material reward satisfaction contributes to increasing and decreasing employee performance. The higher the satisfaction of material rewards, the higher the employee performance. The positive and significant effect of MRS on employee performance is an important factor in improving employee performance. Based on the descriptive analysis of the study, the material rewards received by employees are good, as is the mechanism for increasing the material rewards that have been received. Respondents in this case are satisfied, this can be seen from the MRS indicator index value of 4.18 and 4.43 which indicates very good for this variable.





Material rewards are considered as real rewards without having to benefit employees in the form of money, even though they have a monetary value. This will certainly also have a good impact on employee performance in improving a person's performance. In previous research (Arianto and Syihabudhin 2018) rewards in the form of indirect payments (insurance, or vacations at the company's expense), and can also be in the form of non-monetary rewards (flexible hours, prestigious offices, or more challenging jobs) are non-financial things that can improve employee performance

The results of the data analysis show that psychological reward satisfaction (PSR) has a positive and significant effect on employee performance with a significance value of 0.002 or less than 0.05. This means that PSR contributes to the increase and decrease in the performance of UKI Toraja employees. The higher the PCR felt, the higher the employee performance. The PCR indicators, namely recognition, self-confidence, praise, appreciation, encouragement, on average get a high score, namely between 4 and 5, which means they are in the very good category. The results of this study indicate that psychological reward satisfaction positively increases the psychological involvement of employees in thinking and behaving in accordance with the basic values and ways of solving problems that have been continuously guided by the organization where they work. In addition, research (Fapohunda 2021) also describes the reward system from the perspective of monetary and non-monetary rewards can improve employee morale which will ultimately have a positive impact on organizational performance. When employees see that the reward system given is fair, employees will be more involved in trying to get rewards. This will be very helpful in ensuring good performance. However, reward experts note that the intangible elements of reward programs are more important than the tangible components in encouraging and retaining employee performance.

Based on this study, some suggestions for future research are to further explore non-financial reward variables and then test them in different places such as in profit and non-profit companies. In addition, research related to MRS and PRS as performance predictors is still very rare, so repeated research is needed regarding these variables on performance so that the results can be generalized in the future.

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