

Peer-reviewed academic journal

**Innovative Issues and Approaches in
Social Sciences**

IIASS – VOL. 12, NO. 1, JANUARY 2019

Innovative Issues and Approaches in Social Sciences

IIASS is a double blind peer review academic journal published 3 times yearly (January, May, September) covering different social sciences: political science, sociology, economy, public administration, law, management, communication science, psychology and education.

| 2

IIASS has started as a Sldip – Slovenian Association for Innovative Political Science journal and is being published by ERUDIO Center for Higher Education.

Typeset

This journal was typeset in 11 pt. Arial, Italic, Bold, and Bold Italic; the headlines were typeset in 14 pt. Arial, Bold

Abstracting and Indexing services

COBISS, International Political Science Abstracts, CSA Worldwide Political Science Abstracts, CSA Sociological Abstracts, PAIS International, DOAJ, Google scholar.

Publication Data:

ERUDIO Education Center

Innovative issues and approaches in social sciences, 2019,
vol. 12, no. 1

ISSN 1855-0541

Additional information: www.iiass.com

THE INFLUENCE OF REWARDS ON EMPLOYEE PERFORMANCE WITH REWARDS SEPARATION AS MODERATING VARIABLE

Khoirul Khuluq¹, Richie Wijaya²

Abstract

As an effort to find out other factors that has influence on employees' performance other than extrinsic rewards and intrinsic rewards, this study to test impact of social rewards on employees' performance and rewards separations as moderating variable on extrinsic rewards and employees' performance. Using convenient sampling method, out of 300 employees distributed, 266 useful questionnaires were returned. Factor Analysis and Cronbach Alpha to test the instrument and data analysis were performed using linear regression. The results of this study showed that extrinsic, intrinsic and social rewards have positive influence on employees' performance and rewards separation has moderated the relation between extrinsic rewards and employees' performance. This study has significant value in term of being the first to use rewards separation as moderating variable and give broaden knowledge on social rewards as a factor that influence the employees' performance.

Keywords: Social Rewards, Rewards Separations, Extrinsic Rewards, Intrinsic Rewards, Performance

DOI: <http://dx.doi.org/10.12959/issn.1855-0541.IIASS-2019-no1-art3>

Introduction

Employee Performance Management is very important for organization, "when employees fail in their jobs, part of the organization also fails" (Amstrong and Taylor, 2014). Employers want their human resources function to add value by boosting profit and performance (Dessler, 2017) because employees' performance has significant impact on a company growth (Vosloban, 2012). Performance management practices help an organization to achieve sustained growth (Kumar et al, 2015). High performing work system significantly and positively contributes to organization performance (Zhang and Morris, 2013). It also has

¹ Khoirul Khuluq is the student of Magister Management Program in Bina Nusantara University, Indonesia (khoirul.khuluq@gmail.com)

² Richie Wijaya is the student of Magister Management Program in Bina Nusantara University, Indonesia (richiewijaya1994@gmail.com)

significant impact on bottom line, five percent increase in employee engagement is correlated to three percent growth in revenue of the subsequent year (Biro, 2014). Therefore, it can be concluded that employee's performances have direct impact to company.

It is vital to the long-term success of the business that employees do their jobs well. Effective performance management practices become formidable competitive machine for organization. An organization without shared vision is not called an organization. Each member of organization should understand to which direction they kick the ball. Hard workers are useless unless performing the tasks that are expected by employers. When incumbent works into the wrong direction, managers should remind them to focus on what expected to do. Underperformed employees should be motivated, incompetent employee should be trained and outstanding employee should be rewarded. The success in leading organization can be found in quote "Coming together is a beginning; keeping together is progress; working together is success." (Henry Ford, n.d)

In today's disruptive era, embracing creativity in improving employee performance is very important. Organization must make sure their team works in their best performance, have superstars in each line department and having effective rewards management in attracting and retaining their best talents. Many researches have been done to answer the needs of the company in attracting and retaining employees including financial and non-financial rewards. The problem most of the research only focus on two variables extrinsic and extrinsic rewards (Gohari et al, 2013; Huang, 2014; Edirisooriya, 2014; Danish et al,2015; Ibrar and Khan, 2015; Malik et al, 2015; Haider, 2015; Farooq and Shafique, 2016; Kanwal and Syed,2017; Syahreza et al, 2017; Ndungu, 2017; Jean et al, 2017; Seng and Arumugam, 2017; Zaraket and Saber, 2017; Khan et al, 2017). The majority of the research focus only on both extrinsic and intrinsic, it is very limited research considers social rewards as the alternative variable to motivate the employees (Salah, 2016) and none of them using rewards separation as moderating variable for the influence of extrinsic rewards and employee's performance.

Popular quote "Employees don't quit their job, they quit their boss" is best words to begin when discussing about Social Rewards. In many cases employees get very good salary and great position but they still leave the job because do not want to spend their time with their horrible manager (McMahon, 2014). Lousy managers tend to blame subordinates when problem rises, do not listen to team members, push subordinates to work late while they leave on time, use bad words when

speaking with no respect, demand many things support nothing and make working environment in stressful condition (Ryan, 2016). Unsupportive behavior from Managers and coworkers impacted on employee performance and make employees decide to quit their jobs. Supportive coworkers and good leaders during interaction in a job can boost employees' performance. Good leaders will lead the team into top performances and Good colleagues will collaborate with teammate in order to achieve share objective. Leaders who always give example, work together, show the way, coach and listen to the obstacle can be tangible benefits to the employees therefore it called social rewards.

The purpose of the study is to identify the impact of the rewards beyond the extrinsic and intrinsic rewards which is social rewards on employee performance and rewards separations as moderation role of extrinsic and employees' performance. The research proposes a model to better understand the social rewards with the context of Construction Company in Jakarta. This model will give an alternative and broaden the knowledge to practitioners on motivating employees other than current practices.

Literature Review

When discussing about performance management, people mix up with annual performance Employees appraisal, it's only one way to measure the performance management. Well defined performance management states that a "Performance management is a continuous process of identifying, measuring and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization. Its five elements are agreement, measurement, feedback, positive reinforcement and dialogue" (Amstrong and Taylor, 2014). Employee performance are influence by extrinsic and intrinsic motivation. Rewards Management is a kind of extrinsic motivation to improve employee performance. Company should link between strategy, performance and rewards, the problem is linking pay to performance easier said than done (Dessler, 2017). Rewards are classified into many forms, extrinsic and intrinsic are well known for decades. The combination of both extrinsic rewards and intrinsic rewards dominated the result of research and the phenomena of social rewards have enriched the reward management lately. Which type of rewards are the most effective in boosting employee performance is needed to be discussed further.

Financial rewards strategy classified into pay determination, base pay management, contingent pay and employee benefits and pension. In practical, GlaxoSmithKline (GSK) divides into total cash (base salary &

bonus) plus long-term incentive for executives and Managers (Armstrong and Taylor, 2014). Extrinsic rewards refer to physical return provided by company in exchange to job done such as salary, bonus, incentive, allowance, car ownership program (cop), loan, scholarship and other physical form of compensation. Financial rewards are paid to employees whose production exceeds some predetermined standard (Dessler, 2017). The empirical study had been done to investigate whether extrinsic rewards are the most effective rewards nowadays on relationship with employee performance.

Extensive research been done in analyzing the impact of extrinsic rewards on the performance, the results are divided among the researchers. Research in ElectriCo, a public-sector company in SriLanka examined the element of extrinsic dimension such as pay, bonus, benefits and promotion used five-point Likert scale, descriptive and inferential statistics showed a strong relationship between extrinsic and employee performance (Edirisooriya, 2014). Similarly, investigation in City of Faisalabad a courier company showed a strong relationship between extrinsic rewards and employee performance (Khan et al, 2017). In Addition, a study conducted to test the relationship between financial rewards and performance for blue collar employees in construction and printing companies found significance result on financial rewards and employee performance (Zaraket and Saber, 2017).

Prior research generally confirms that extrinsic rewards has impact on employee performance but good studies had been done by Ozutku (2012). Ozutku divided the firms into two groups as extrinsic group and intrinsic group, the result showed intrinsic result has a significant influence on employee result, and however, extrinsic reward has no significant influence on employee result. Similarly, Njanja et al (2013) have proven that cash bonus has no effect to employee performance and suggested to organization to focus on nature and content of job. Aguinis et al (2013) studied what extrinsic cannot do and concluded financial rewards do not improve employee Knowledge, Skill and Abilities. We can conclude that extrinsic rewards alone are not effective in boosting employee performance in organization.

Discussions regarding intrinsic rewards have dominated research in recent years. Danish et al (2015) examined the influence of intrinsic rewards on job performance with mediating role of extrinsic and intrinsic motivation in the banks of capital Lahore, Pakistan. The study generated intrinsic motivation and extrinsic motivation significantly mediate the relationship between intrinsic rewards and task performance while job

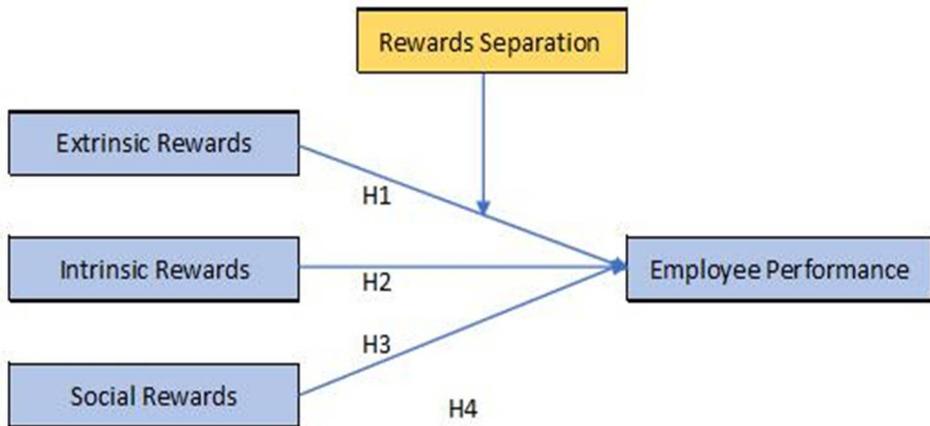
satisfaction in this regard partially mediates this relationship. The research provided integrated model to explain between rewards, motivation and job satisfaction but the word of intrinsic in two variables confused the reader and even the author themselves mixed up between intrinsic rewards and intrinsic motivation like in the phrase of "...revealed that intrinsic motivation and extrinsic rewards significantly ...". The extrinsic motivation calls in to question since extrinsic rewards can be an example of extrinsic motivation. Like the research outcome, (Nujoo and Mayer, 2012) extracted intrinsic rewards has stronger relationship to performance than extrinsic rewards. Another research strengthened the majority founding, employees' perceived intrinsic rewards more important than extrinsic rewards on motivation and resultantly performing well (Farooq and Shafique, 2016).

Majority of the practitioners and scholars confirmed extrinsic and intrinsic reward play dominants role in recent years to improve performance meanwhile a few researchers have criticized the majority and suggested the need to go beyond rewards. As the solution of the problem a research on social reward have been done (Newman and Sheikh, 2013; Salah, 2016). Questionnaire distributed to 308 workers represented 60% population administered Pearson product moment correlation and multiple regression analysis concluded that extrinsic, intrinsic, social and mix rewards has strong correlation on employee performance. Salah attributed the elements of social rewards to answer the challenge against risk of rewards to go beyond the rewards. Both research introduced social rewards to the existing of human resources management practically and academically, not only broaden the knowledge but also give huge implication on practical with inexpensive social rewards to organizations. Researchers and practitioner believed that not any single of rewards elements can stand alone, organization will be more competitive when they creatively apply all the rewards extrinsic, intrinsic and social without suffering in financial investment. The mix those three rewards can be winning strategy in attacking best talents. Employee predicted to be more motivated when they see the rewards categorized into several categories even though it is classified into meaningless group (Wiltermuth and Gino, 2013). Wiltermuth and Gino (2013) proposed separated rewards into several categories and conducted experiments on sixty-three undergraduate business students randomly assigned. Participants were motivated to gain one rewards from one category and another reward from another category than they were to obtain the two rewards in a pool contains all items.

Research Methodology

From the literature review, extrinsic rewards, intrinsic rewards, social rewards and combination of those rewards (Mix) has influence on employee performance (Salah, 2016). The conceptual model then all type of rewards will be independent variables has impacts on employee performance then will be dependent variable. The rewards separations into categories (rewards categories) will strengthen the correlation on both dependent and independence variables (Wiltermuth and Gino, 2013). The prediction on rewards categories, more category on rewards will motivate the employees and resultantly will impact on employee performance, so the rewards categories is proposed to be moderator role variable.

Figure 1. Research Theoretical Framework



From figure 1, we can see that extrinsic rewards are predictive factors in improving employees' performance. It has been founding for this century. Extrinsic rewards can be powerful tool in improving motivation and employee performance but it must be tied to performance not irrelevant factors such as number of years in organization. It cannot be alone in determining in boosting employees' performance. However, there are still researcher who use this as influencing factors (Aguinis et al, 2013; Zahra Idrees, 2015; Seng and Arumugam, 2017). Therefore, it should be the first hypothesis to be test whether it is still relevant in determining employees' performance.

H1: Extrinsic rewards has significant positive influence on employees' performance.

Intrinsic rewards such as appreciation, promotion empowerment and recognition has positive impact on employee task performance. It's very popular for the last decade, in practical company proudly present to their targeting talent to have this type of rewards and supporting by many researchers in predicting employees' performance (Bari et al, 2013; Smith et al, 2015; Kumar et al, 2015; Nyaga, 2015; Danish et al, 2015; Farooq and Shafique, 2016). Therefore, the second hypothesis is about this variable.

H2: Intrinsic rewards has significant positive influence on employees' performance.

Social rewards are a new paradigm in determining part of rewards. In practical, HR Managers are not familiar about this kind of rewards, the research is very limited on this variable. In addition to extrinsic and intrinsic, social rewards are included to be another variable in influencing employee performance for public sector (Miao et al, 2013) and for mining company (Salah, 2016). The term of social rewards come up initially for social workers, when social community appreciated the tasks performed by social workers. The social rewards mean that a good relationship within organization among stakeholders such as leader-members, Supervisors-subordinates and employees-employers. Study found that employees will improve their performance if there are problem with supervisor's interpersonal relationship with subordinates and presence of job aid (Jungert, 2012; Loi et al, 2014; Bushiri, 2014; Yang, 2015).

H3: Social rewards has significant positive influence on employees' performance.

The fear of missing out of potential rewards motivated employee to perform the work longer (Wiltermuth and Gino, 2013). Rewards are classified as extrinsic motivation that can boost employee performance. In practical, labor who are still eligible to get overtime works longer than staff level who are not eligible to work late. When considering offering, employee will focus not only the high salary, but overall package including the best benefits that offered by company (Bort and Bernards, 2017). When comparing higher pay versus better benefits the expert recommendation for employee is to choose better benefits such as

retirement plan (Appleby, 2018). Even more, employee still interested when receiving less salary but better benefits, better tax rate, better work life balance and better opportunities. Keeping only basic salary with few basic benefits are not very attractive for employees (Jones, 2017).

H4: The influence of extrinsic rewards on employee’s performance is moderated by Rewards Separation

Measurement

Self-designed questionnaire will be distributed electronically using google form for one shot time horizon in non-contrived setting and the indicators of rewards are adopted from previous research. The Indicators of the research are taken from previous research (Salah, 2016). Only indicators who has proven impact on previous research are applied in this study. Below is the measurement variable that can be seen below table.

Table 1. Indicators of Rewards Variables

No	Variable	Indicators
1	Extrinsic Rewards	Accommodation & Transportation allowance
		Basic payment (wages & salaries)
		Compensation & incentives policies
		Medical allowance
		Performance (Bonus & awards)
		Retirement benefits
		Contract of employment
		Good environment & working conditions
		Job promotion
		Job security
		Challenging assignments
		Goals setting participation
		Job rotations
Responsibility & authority		
2	Intrinsic Rewards	Training & skills development
		Work freedom & independence (Reverse Question)
		Achievement & acknowledgement (Reverse

		Question)
		Advancement & growth (Reverse Question)
		Appraise & appreciation (Reverse Question)
		Recognition (Reverse Question)
		Group belongings and affiliations
		Off-job social recreation clubs membership
		Organizational supportive; structure and culture
		Prestige enhancement
3	Social Rewards	Status symbols
		Supportive environment
		Caring & supportive attitude
		Positive colleagues relationships
		Social status
		Supervisors support
4	Reward Separation	Fear of Mission out

The population of 271 total employees in a construction company and the appropriate sample size will be 159 respondents (Sekaran and Bougie, 2016). The questionnaire is comprised of five sections for primary data collection and then company data as secondary data for employee performance. Section I contained Represent Demographic information name, age, gender, education, experience and monthly spending. Section II contained five items which sought to collect information about the influence of extrinsic rewards on employee's performance. Section

represented five items regarding the perceptions of workers on the influence of intrinsic rewards on employee's performance. Section IV Consisted of five items requesting information about employee's views on the relationship between social rewards. Section V described items asked rewards Categorization as mediator's variable on Rewards and employee performance. All measures used five-point Likert-type scales, which ranged from strongly disagree (1) to strongly agree (5).

Three types of analysis are proposed for this study. First, to provide a description of the sample from participants, descriptive statistics on name, age and gender setting will be explained, as well as the means for the independent variables. Second to determine the relationship between Rewards and Performance, Pearson product moment correlation coefficients will be determined. Third, to test the hypotheses linear regression analysis will be employed.

The questionnaires are checked by expert in University and we did pilot research to test the validity and reliability. After gathered 40 respondents the results showed the 34 out of 35 items are valid. One item in extrinsic reward variable is not valid and for social rewards, all item is valid. The detail result on factor analysis from 10 items in extrinsic variable only one item (EX5) is not valid the rest are valid with loading factor range from 0.64 to 0.87. All 10 items are valid for intrinsic rewards with loading factors range from 0.61 to 0.82. All 10 items are valid for social rewards with loading factors range from 0.60 to 0.88. All 5 items are valid for rewards separations with loading factors range 0.64 to 0.89.

The result of reliability test was showing that the instrument is reliable.

Table 2. Reliability Analysis

Extrinsic Rewards	0.78	9
Intrinsic Rewards	0.81	10
Social Rewards	0.89	10
Rewards Separation	0.71	5

Findings

Participants demographic profile frequency distribution are as follow: 67% Bachelor Degree graduate, 59.7 % the age between 22-34 years old, 62% Male, experience 32% 5-10 years' experience and the monthly spending 72% IDR 5-15 million. The detail shown in table 1.

Table 3. Frequency Distribution for Respondent's Demographics

Characteristic	Number	Percent
Education		
High School	24	10.6
Diploma Degree	18	8.0
Bachelor Degree	152	67.3
Master Degree	32	14.2
Age		

22 - 34 years old	135	59.7
35 - 44 years old	65	28.8
45 - 54 years old	22	9.7
55 - 64 years old	4	1.8
Gender		
Male	142	62.8
Female	84	37.2
Experience		
0-10 years	67	29.6
5-10 years	74	32.7
10-15 years	48	21.2
16-20 years	16	7.1
21-25 years	21	9.3
Monthly Spending		
Under IDR 5 M	24	10.6
IDR 5 M - IDR 15 M	164	72.6
IDR 16 M - IDR 30 M	29	12.8
IDR 31 M - IDR 45 M	8	3.5
IDR 46 M - IDR 60 M	1	0.4

The hypothesis relationship was tested using Pearson Correlation Coefficient.

Table 4. **Coefficients Table**

Variable	Unstandardized Coefficients	t	Sig	R square
	Beta			
Extrinsic Rewards	1.10	18.48	0.000	0.60
Intrinsic Rewards	1.27	19.76	0.000	0.64
Social Rewards	1.15	17.06	0.000	0.56
Moderation of Rewards Separation	0.37	6.46	0.000	0.76

The hypothesis 1 (H1) for rewards has significant positive influence on employees' performance, the results from table 3 showed that value at 0.05 significant level is 0.000 and the coefficient is 1.10, it is positive significant. According to the above results the null hypotheses (Ho) is rejected and the alternative hypotheses (H1) is accepted meaning that rewards has significant positive influence on employees' performance. The R square results 0.60 shows that extrinsic rewards influence 60% on employee job performance. The test for Hypotheses 2 (H2): Intrinsic rewards has significant positive influence on employees' performance, the significance level is 0.000 and the coefficient is 1.27, supported the H2 means that intrinsic rewards has positive influence on employees' performance with influence factors 64%. The Results on hypothesis 3 (H3) shows the significant level is 0.000 and the coefficient is 1.15, the result is positive significant. According to the result the null hypotheses (Ho) is rejected and the alternative hypotheses (H2) is accepted means the result supported the hypothesis 3 and social rewards has positive influence on employees' performance. Social rewards are a factor that has 56% influence on job performance. For hypothesis 4 whether rewards separation has moderating variable for relationship between extrinsic rewards and employees' performance shows that the significant level is 0.000 and the R square of extrinsic variable is 0.0.60 and after moderation the R square is 0.76. It rose 16%. According to the above analysis the null hypotheses (Ho) is rejected and the alternative hypotheses (H4) is accepted.

As employee performance has significant impact on company performance and growth, many researchers studied on the impact of rewards specifically on extrinsic and intrinsic rewards. Most of the attention of the existing research are on those two variables. Recently, there are a few researches had been conducted to find out the influence of third variable about social rewards on employee performance. However, it's very limited research have been done on the social rewards variable and no research using rewards separation as variable to test the moderating role on extrinsic rewards and employees' performance.

The finding of this study provide answer for research objective and the hypothesis testing of this study. The objective of the study is to find answer beyond extrinsic and intrinsic variables that are popular in recent decades as factors that can boost employees' performance. Social rewards and Rewards Separation as the answer of the research objective became the third variable that can be solution of the factors that can motivate employees' performance. The result of the study found that extrinsic, intrinsic rewards and social rewards have positive

influence on employees' performance and Rewards separations also moderated the relationship between extrinsic rewards and employees' performance. The significant impact of social rewards aligns with previous study (Jessen, 2010; Newman et al, 2011; Miao et al, 2013; Salah, 2016). Employee leaving the boss

not the organization, even if we give them high salary and good position that represents the two variables extrinsic and intrinsic variable, there is big possibility they leave us or remain the company but underperformed. Social rewards and the reward separation are the solution in maintaining employee performance. Supervisor and coworkers support in organization as a team bring performance culture that will impact company performance and growth in today's disruptive era.

The participants are 30% female, different from previous study that was 100% male and 60% are millennials who have been working in the company for less than 10 years with 72% monthly spending around IDR 5-15 million. In short, the participants are mostly male millennial with experience less than 10 years and salary below IDR 15 million. Those millennials would be given interesting assignment and attractive job and high salary to fund their traveling. The participants are working on a construction company in Jakarta and mostly are engineers, the job interesting for them can be combining working with traveling during their site visit. Those kinds of participants give us a view how millennials perceived about influence of rewards management on employees' performance, but, at the same time can be limitation of this research.

The term of social rewards is a new in research as well as in practical, we must give understanding to practitioners that this kind of rewards is not a cash benefits from social neighborhood but the rewards are more on social interactions within working environment or workplace. It has been many years that term of rewards is not about cash or money. Employees also should be familiar with the term and try to practice is in working environmental. This is the only rewards that not coming from employers but can be coming from coworkers or peers. As coworkers we don't need to give our peers a cash to apply social rewards just a smile and support during their difficulty time can be part of the rewards implementation. This reward is a unique and powerful in improving employees' performance. Support from coworkers is important during employee taking a leave, other employee can replace them temporarily by taking over their tasks. Not only good for employee who are on leave but it will sustain the business of the company and will give the peers who taking over the task. Doing other tasks will enlarge competency, multi-skilled employees are indispensable.

Another good thing is social rewards can be implemented with almost no cost for company side. A supportive working culture is a must to boost employees' performance as well as for company sustainability. The boss should not only instruct but they must lead and support the employees' performance and consider the obstacle of employees. The word of "it's not my business" is not a good word that come from a good leader. Everyone in the organization shares vision why everyone should have their own business. It's worst workplace condition when the boss does not consider the difficulty of employees (Bushiri, 2014).

Conclusion

Employees' performance is essential for sustainability of the organization; many factors influence the performance such as rewards management. The most popular variable in rewards management are extrinsic and intrinsic rewards. However, recently there are other variable that can have influence on the employees' performance, those factors are social rewards and rewards separations. The study found that social rewards also has positive influence on employees' performance and rewards separations has moderated the relationship between extrinsic rewards and employees' performance. Positive influence means that when we raise the level of rewards the employees' performance also will increase. Recommendation for future research is to involve more women and increase number of other generation than millennials. Another topic can be interesting to study further is to focus on social rewards on employees' performance.

References

- Aguinis, H., Joo, H., & Gottfredson, R.K. (2013). What monetary rewards can and cannot do: How to show employees the money. *Business Horizons*, 56(2), 241-249.
- Appleby, D. (2018). Job Hunting: Higher Pay vs. Better Benefits. Retrieved from Investopedia: <https://www.investopedia.com/articles/retirement/09/job-retirement-benefits.asp>
- Armstrong, M., & Taylor, S. (2014). *Armstrong's Handbook of Human Resource Management Practice* (13 ed.). Kogan Page.
- Bari, N., Arif, U., & Shoaib, A. (2013). "Impact of Non-Financial Rewards on Employee Attitude & Performance in the workplace" A case study of Business Institutes of Karachi. *International Journal of Scientific & Engineering Research*, 4(7), 2554-2559.
- Biro, M. (2014). Happy Employees = Hefty Profits. Retrieved from Forbes: <https://www.forbes.com/sites/meghanbiro/2014/01/19/happy-employees-hefty-profits/#3311c272221a>
- Bort, J., & Bernard, Z. (2017). The 50 best-paying big companies, according to employees. Retrieved from Business Insider: <https://www.businessinsider.com/comparably-50-best-paying-big-companies-salary-employees-2017-11/?IR=T>
- Bushiri, C.P. (2014). The Impact of Working Environment on Employees' Performance: The Case of Institute of Finance Management in Dar es Salaam Region. Open University of Tanzania, Dar-es-Salaam.
- Danish, R.Q., Khan, M.K., Shahid, A.U., Raza, I., & Humayon, A.A. (2015). Effect of intrinsic rewards on task performance of employees: Mediating role of motivation. *International Journal of Organizational Leadership*, 4, 33-46.
- Dessler, G. (2017). *Human Resource Management* (15 ed.). Pearson.
- Edirisooriya, W.A. (2014). Impact of Rewards on Employee Performance: With Special Reference to ElectriCo. In *Proceedings of the 3rd International Conference on Management and Economics*, 26, 311-318.
- Farooq, Q., & Shafique, M. (2016). Role of Intrinsic Rewards in Employee Perception and Motivation. *Research on Humanities and Social Sciences*, 6(5), 3.
- Gohari, P., Ahmadloo, A., Boroujeni, M., & Hosseinipour, S. (2013). The Relationship between Rewards and Employee Performance. *Interdisciplinary Journal of Contemporary Research in Business*, 5(3), 543-570.
- Haider, M., Aamir, A., Abdul Hamid, A.-B., & Hashim, M. (2015). A literature Analysis on the Importance of Non-Financial Rewards for

- Employees' Job Satisfaction. *Abasyn University Journal of Social Sciences*, 8(2), 341-354.
- Huang, C.J., & Hsueh, S.C. (2014). A Study of the Effect of Incentive System on Job Performance-Locus of Control as a Moderator. *Journal of Global Business Management*, 10(2), 57.
- Ibrar, M., & Khan, O. (2015). The Impact of Reward on Employee Performance (A Case Study of Malakand Private School). *International Letters of Social and Humanistic Sciences*, 52, 95-103.
- Idrees, Z., Xinping, X., Shafi, K., Hua, L., & Nazeer, A. (2015). Effect of Salary, Training and Motivation on Job Performance of Employees. *American Journal of Business, Economics and Management*, 3(2), 55-58.
- Jean, K.N., Ngui, T.K., & Robert, A. (2017). Effect of Compensation Strategies on Employee Performance: A Case Study of Mombasa Cement Limited. *International Journal of Innovative Social Sciences & Humanities Research*, 5(3), 25-42.
- Jessen, J.T. (2010). Job Satisfaction and Social Rewards in the Social Services. *Journal of Comparative Social Work*, 5(1), 18.
- Jones, K. (2017). The Most Desirable Employee Benefits. Retrieved from *Harvard Business Review*: <https://hbr.org/2017/02/the-most-desirable-employee-benefits>
- Jungert, T. (2012). The meaning of support from co-workers and managers in teams when working. Linköping University Electronic Press, Linköping.
- Kanwal, K., & Syed, M. (2017). Impact of Reward System On Employee Performance in Banking Sector. *RADS Journal of Social Sciences & Business Management*, 4(2), 82-103.
- Khan, N., Waqas, H., & Muneer, R. (2017). Impact of Rewards (Intrinsic and extrinsic) on Employee Performance: With Special Reference to Courier Companies of City Faisalabad, Pakistan. *International Journal of Management Excellence*, 8(2), 937-945.
- Kumar, D., Hossain, M.Z., & Nasrin, M.S. (2015). Impact of Non-Financial Rewards on Employee Motivation. *Middle East Journal Scientific Research*, 21(10), 1776-1786.
- Loi, R., Ao, O., & Xu, A. (2014). Perceived organizational support and coworker support as antecedents of foreign workers' voice and psychological stress. *International Journal of Hospitality Management*, 36, 23-30.
- Malik, M., Butt, A., & Choi, J. (2015). Rewards and employee creative performance: Moderating effects of creative self-efficacy, reward importance, and locus of control. *Journal of Organizational Behavior*, 36, 59-74.

- McMahon, A. (2014). Are Your Employees Quitting YOU? Retrieved from LinkedIn: <https://www.linkedin.com/pulse/20141002002115-51211860-are-your-employees-quitting-you/>
- Miao, Q., Newman, A., Sun, Y., & Xu, L. (2013). What factors influence the organizational commitment of public sector employees in China? The role of extrinsic, intrinsic and social rewards. *The International Journal of Human Resource Management*, 24(17), 3262-3280.
- Ndungu, D.N. (2017). The Effects of Rewards and Recognition on Employee Performance in Public Educational Institutions: A Case of Kenyatta University the Effects of Rewards and Recognition on Employee Performance in Public Educational Chapter One. Type: Double Blind Peer Reviewed *International Research Journal*, 17(1), 43-68.
- Newman, A., & Sheikh, A. (2012). Organizational commitment in Chinese small- and medium-sized enterprises: the role of extrinsic, intrinsic and social rewards. *International Journal of Human Resource Management*, 23(2), 349-367.
- Njanja, W.L., Maina, R.N., Kibet, L.K., & Njagi, K. (2013). Effect of Reward on Employee Performance: A Case of Kenya Power and Lighting Company Ltd., Nakuru, Kenya. *International Journal of Business and Management*, 8(21), 41-49.
- Nujjoo, A., & Meyer, I. (2012). The relative importance of different types of rewards for employee motivation and commitment in South Africa. *SA Journal of Human Resource Management*, 10(2), 442-452.
- Nyaga, J.W. (2015). Non-Financial Reward and Employee Retention in Private Primary Schools in Kenya (Kiambu County). *International Journal of Management and Commerce Innovations*, 3(1), 240-254.
- Özutku, H. (2012). The Influence of Intrinsic and Extrinsic Rewards on Employee Results: An Empirical Analysis in Turkish Manufacturing Industry. *Business and Economics Research Journal*, 3(3), 29-48.
- Ryan, L. (2016). The Five Biggest Differences Between Good Managers and Bad Ones. Retrieved from Forbes: <https://www.forbes.com/sites/lizryan/2016/02/16/the-five-biggest-differences-between-good-managers-and-bad-ones/#57f0ef321e9d>
- Salah, M. (2016). The Influence of Rewards on Employees Performance. *British Journal of Economics, Management & Trade*, 13(4), 1-25.
- Sekaran, U., & Bougie, R. (2016). *Research Methods for Business: A Skill Building Approach* (7 ed.). Wiley.
- Seng, N., & Arumugam, T. (2017). Financial reward and motivation toward employee job performance in the hospitality industry in Klang Valley. *Electronic Journal of Business & Management*, 2(1), 51-60.
- Smith, E., Joubert, P., & Karodia, A. (2015). The Impact of Intrinsic and Extrinsic Rewards on Employee Motivation at a Medical Devices

- Company in South Africa. *Kuwait Chapter of Arabian Journal of Business and Management Review*, 5(1), 39-87.
- Syahreza, D., Lumbanraja, P., Dalimunthe, R., & Absah, Y. (2017). Compensation, employee performance, and mediating role of retention: A study of differential semantic scales. *European Research Studies Journal*, 20(4A), 151-159.
- Vosloban, R. (2012). The Influence of the Employee's Performance on the Company's Growth - A Managerial Perspective. *Procedia Economics and Finance*, 3(12), 660-665.
- Wiltermuth, S.S., & Gino, F. (2013). "I'll have one of each": How separating rewards into (meaningless) categories increases motivation. *Journal of Personality and Social Psychology*, 104(1), 1-13.
- Yang, T., Shen, Y., Zhu, M., Liu, Y., Deng, J., Chen, Q., & See, L. (2015). Effects of co-worker and supervisor support on job stress and presenteeism in an aging workforce: A structural equation modelling approach. *International Journal of Environmental Research and Public Health*, 13(1), 15.
- Zaraket, W., & Saber, F. (2017). The Impact of Financial Reward on Job Satisfaction and Performance: Implications for Blue Collar Employees. *China-USA Business Review*, 16(8), 369-378.
- Zhang, B., & Morris, J. (2014). High-performance work systems and organizational performance: testing the mediation role of employee outcomes using evidence from PR China. *The International Journal of Human Resource Management*, 25(1), 68-90.

Appendices

Appendix A

Table 5. Indicator Codes

No	Variable	Indicators	Kode
1	Extrinsic	Basic Salary	EX1
2	Extrinsic	Bonus Performance	EX2
3	Extrinsic	Incentive	EX3
4	Extrinsic	Retirement Benefits	EX4
5	Extrinsic	Medical Benefits	EX5
16	Extrinsic	Basic Salary	EX6
17	Extrinsic	Bonus Performance	EX7
18	Extrinsic	Incentive	EX8
18	Extrinsic	Incentive	EX8
19	Extrinsic	Retirement Benefits	EX9
20	Extrinsic	Medical Benefits	EX10
6	Intrinsic	Recognition	IN1
7	Intrinsic	Appraise and Appreciation	IN2
8	Intrinsic	Work Freedom and Independence	IN3
9	Intrinsic	Advancement & Growth	IN4
10	Intrinsic	Training and Skill Development	IN5
21	Intrinsic	Recognition	IN6
22	Intrinsic	Appraise and Appreciation	IN7
23	Intrinsic	Work Freedom and Independence	IN8
24	Intrinsic	Advancement & Growth	IN9
25	Intrinsic	Training and Skill Development	IN10
11	Social	Supervisor Support	SC1
12	Social	Social Status	SC2
13	Social	Positive colleagues Relationship	SC3
14	Social	Supportive environment	SC4
15	Social	Care and Supportive Attitude	SC5
26	Social	Supervisor Support	SC6
27	Social	Social Status	SC7
28	Social	Positive colleagues Relationship	SC8
29	Social	Supportive environment	SC9
30	Social	Care and Supportive Attitude	SC10
31	Rewards Separation	Categorization Incentive	RS1
32	Rewards Separation	Categorization Incentive	RS2
33	Rewards Separation	Categorization Incentive	RS3
34	Rewards Separation	Categorization Incentive	RS4
35	Rewards Separation	Extrinsic, Intrinsic and Social	RS5

Table 6. Questionnaires

Kode	Pertanyaan
EX1	Gaji pokok mempengaruhi seberapa besar usaha diberikan
EX2	Seharusnya Bonus diberikan untuk membedakan karyawan yang berkinerja baik atau bukan
EX3	Insentif yang diberikan memacu produktifitas
EX4	Tunjangan Pensiun memberikan rasa nyaman saat pensiun dan membuat karyawan mengeluarkan kinerja terbaiknya
EX5	Medical Benefit yang ditawarkan memberikan jaminan pada saya dan keluarga
EX6	Makin besar gaji sudah semestinya performa yang dikeluarkan makin optimal
EX7	Besaran bonus untuk yang berkinerja baik seharusnya lebih besar dibanding yang kurang baik kinerjanya
EX8	Semakin lama ditempat kerja semakin banyak insentif yang diperoleh
EX8	Semakin banyak hasil kerja semakin banyak insentif yang diperoleh
EX9	Karena terjamin masa pensiunnya maka performa yang terbaik yang diupayakan
EX10	Kesehatan sudah dijamin oleh perusahaan sehingga tidak ada kekhawatiran untuk fokus bekerja lebih baik
IN1	Penghargaan Karyawan Terbaik Diberikan Dengan Maksud Untuk Memotivasi Karyawan Agar Lebih Giat Dalam Bekerja
IN2	Perasaan dihargai, dihormati dan didukung membuat saya lebih semangat dalam kerja
IN3	Kebebasan dan Keleluasaan dalam berkarya membuat saya mencapai kinerja terbaik
IN4	Perusahaan memberikan kesempatan yang baik untuk maju dan berkembang
IN5	Perusahaan memberikan pelatihan dan pengembangan keterampilan untuk menunjang kinerja karyawan
IN6	Penghargaan akan pencapaian terbaik memotivasi karyawan dan yang lain untuk memberikan performa terbaik
IN7	Merasa dihargai, dihormati dan didukung membuat saya menghasilkan kinerja yang tak ternilai
IN8	Bebas dalam menentukan metode dalam bekerja membuat saya lebih efektif dalam bekerja
IN9	Adanya kesempatan untuk berkembang dan maju, membuat karyawan semakin berlomba dalam mencapai puncak kinerja
IN10	Pelatihan dan pengembangan membuat lebih memahami dan siap dalam bekerja sehingga menghasilkan kinerja yang baik
SC1	Dukungan atasan membuat kinerja karyawan lebih baik
SC2	Memahami pentingnya peran yang kita lakukan dalam perusahaan, membuat kita semakin bangga dan berkinerja baik
SC3	Hubungan dengan rekan kerja yang baik dan saling melengkapi bisa meningkatkan kinerja karyawan dan perusahaan
SC4	Komunikasi di lingkungan kerja terjalin dengan baik membuat nyaman dalam menghasilkan karya
SC5	Sifat saling peduli dan mendukung membuat kinerja karyawan dan tim tetap baik
SC6	Dukungan dari atasan dalam menghadapi kesulitan membuat karyawan lebih baik dalam bekerja
SC7	Pekerjaan saya dipandang bermartabat sehingga merasa bangga karena bisa berkontribusi dalam pekerjaan yang bernilai
SC8	Antar karyawan saling membantu apabila terjadi kesulitan dalam menyelesaikan pekerjaan
SC9	Lingkungan kerja yang saling mendukung membuat karyawan bisa menyelesaikan setiap pekerjaan
SC10	Perhatian dan perilaku saling mendukung membuat karyawan saling bahu membahu dalam menyelesaikan pekerjaan
RS1	Dengan adanya tambahan penghasilan dari setiap usaha yang kita lakukan akan membuat kita selalu optimal dalam melakukan pekerjaan
RS2	Tanpa adanya perbedaan kompensasi antara kinerja baik dan buruk membuat kita tidak bekerja optimal
RS3	Adanya potensi tambahan pendapatan (Overtime/Incentive/Bonus), Memacu karyawan untuk melakukan pekerjaan yang diminta
RS4	Kawatir akan kehilangan uang lembur atau insentif, membuat saya bekerja lebih dari jam normal
RS5	Gaji besar dan posisi yang menarik tanpa adanya dukungan dari atasan dan rekan kerja membuat kinerja saya kurang optimal