Analysis of Reward, Work Environment, Motivation and Performance of Administrative Staff

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Abstract

This study explores the impact of rewards, work environment, and motivation on the performance of administrative staff at the Faculty of Economics, State University of Malang. This study uses the Explanatory Research method with a sample of 47 employees. Data were collected through questionnaires and analysed using path analysis and SMARTPLS3 as the statistical test. The results confirmed that reward and motivation directly impact staff performance, while the work environment has no direct impact. In addition, the findings suggest that motivation serves as a mediator in the relationship between rewards, work environment, and performance. The importance of providing appropriate rewards and creating conducive working conditions to stimulate motivation has been proven in this study. These results provide a valuable perspective for educational institutions in their efforts to improve the performance of education personnel in enhancing academic services.

Keywords: learning models, learning methods, physical education

Introduction

In the era of society 5.0, which is increasing, higher education institutions, including the Universitas Negeri Malang, are under increasing pressure to maintain and improve their education and services. The Faculty of Economics is one of the crucial components, and it has a very significant role in achieving these goals. One of the keys to achieving a competitive advantage in an academic environment is having high-performing employees(Li et al. 2019:6).

Currently, FE UM continuously strives to improve the quality of education and services. To achieve this, attention to employee performance becomes very important. However, some challenges must be faced. Some employees may feel less motivated or less satisfied with the rewards they receive, while their work environment can also affect their performance levels. Therefore, this study aims to investigate the relationship between reward, work environment, and motivation on the performance of education personnel at FE UM. To understand the basic framework guiding this research, we must look closely at the hypotheses and theories based on the study.

According to (Rothwell, Hohne, and King 2018), Individuals tend to be high performers if they expect their efforts to be rewarded with desired results. Moreover (Herzberg, Mausner, and Snyderman 2017) show that rewards (such as rewards and recognition) can improve motivation and performance. The relationship between work environment and performance highlights the importance of a work environment that allows employees to feel more meaningful and take an active role in their work(van Veldhoven dan Peccei 2014). This opinion is reinforced (Groen et al. 2019; Saputra and Kusdarianto 2023)that adequate work facilities can increase employee comfort and productivity.

Employee motivation plays an essential role in employee performance(Hoffman 2015). Internally motivated employees are encouraged to take action and strive to perform their tasks to the best of their ability(Nurfadllika and Adinata, 2023). Motivation can be influenced by

factors such as job characteristics, job satisfaction, compensation, and the presence of disciplinary action(Sale 2017). According to (Kroll and Tantardini 2017), Another critical topic is the reward and motivation of work in public administration. Public employees can be motivated by self-interest and other reasons, as well as extrinsic (results-based) and intrinsic (work-based) reasons (Esteve and Schuster 2019).

The work environment influences employee motivation (Jumady, 2023; Karsim dkk. 2023). A positive work environment, characterised by physical condition, organisational culture, and leadership practices, can increase employee motivation (Sapta, Gunantra, and Widnyana, 2022). Employee performance tends to improve when the work environment is better and more conducive (Wijayanti dkk. 2022).

Rewards can improve performance through work motivation; this is explained (Hutabarat et al., 2023; Vallery and Silvianita, 2023). The promised reward plan can increase the individual's motivation to earn those rewards, enhancing the desired performance. Not only rewards the work environment can also improve performance through work motivation. (Darmawan and Sinarwati 2023; Usman and Sandyaningrum 2022)Demonstrating an organisational culture that supports collaboration, social support, and rewards for achievement can create working conditions that motivate employees and improve their performance.

With this hypothetical framework, this study will investigate in more depth how reward, work environment, and motivation are interconnected and impact the performance of FE UM education personnel.

Method

The conceptual framework of this research is based on the Integrative Model of Work Motivation developed by Kanfer (Kanfer 2009). This framework considers reward and work environment as external factors influencing employees' internal motivation and performance. The interaction between these three factors is also described in this conceptual framework.
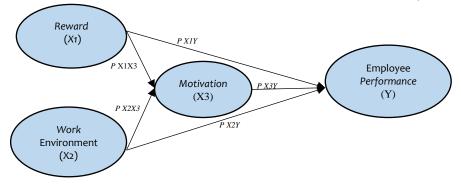

Figure 1. Conceptual framework

This type of research is explanatory research, and the design used is a survey study that allows researchers to collect data from several respondents efficiently. In this study, questionnaires were given in March-April 2023 across a population of 47 education personnel, and researchers used a saturated sample technique (Suggestion 2018). Indicators of reward measurement tools, work environment, motivation, and employee performance refer to the relevant literature. Related to reward indicators (Armstrong dan Brown 2019; Ward 2020), working environment (Northouse 2018; Robbins dkk. 2016). Motivation (Meyer 2016), performance indicators (Parmenter 2019).

The analysis in this study was carried out using the path analysis method using SMARTPLS 3 software (Ringle, C. M., Wende, S., and Becker t.t.) to carry out the Construct Validity Test, Discriminant Validity Test by looking at the Latent Construct Antra Correlation, Composite Reliability Test, Path Model Test as the primary test that will evaluate the extent to which reward and work environment affect motivation, as well as the extent to which

motivation affects the performance of subsequent employees The Path Coefficient Significance Test will determine whether the path coefficients of each relationship in the research model are statistically significant or not.

Results and Discussion

This section will discuss a more in-depth analysis of the relationship between variables and the role played by intervening variables. Figure 2 shows the loading factor from reward variables X1.1:0.865, X1.2:0.800, X1.3:0.896 X1.4:0.741. Working environment variables X2.1:0.872, X2.2:0.870, X2.3:0.759. Motivation variables X3.1:0.889, X3.2:0.834, X3.3:0.744, X3.4:0.770. Performance variables Y1:0.797, Y2:0.778, Y3:0.820, Y4:0.850. The value loading factor of the ideal > 0.6 (Hamid 2019). Thus, the conclusion is that the variables in this study have high construct validity. It describes the indicators used to measure those variables as reliable and suitable for measuring the variable under study.

Figure 2 shows the AVE Value (Average Variance Extracted) Performance variables: 0.659, Work Environment: 0.698, Motivation: 0.658, Reward: 0.685 indicates the four variables have good convergent validity. According to (Wong, 2019), AVE value ≥ 0.5 suggests that the variable can explain at least 50% of the variance of its indicators. Overall, all four variables have good convergent validity. Thus, the conclusion is that the indicators used to measure such variables have strong validity and are considered appropriate tools to measure the research focus variables.
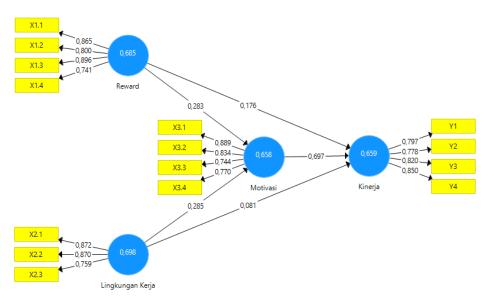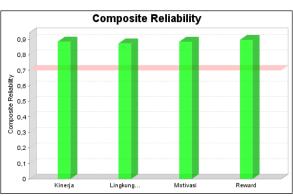

Figure 2. Loading factor and AVE values

Table 1 shows that the AVE square values for each construct variable are as follows: Performance 0.811, Work Environment 0.836, Motivation 0.81, Reward 0.828. When the square value of AVE exceeds the threshold of 0.5 (Hamid 2019), each variable has a significant variance to distinguish it significantly from the other variables so that all four variables show a high degree of discriminant validity.

Table 1. Fornell-Larcker Criterion value to measure AVE Square

	Keywords :	Lingkungan Kerja	Motivasi	Reward
Kinerja	0,811			
Lingkungan Kerja	0,411	0,836		
Motivasi	0,796	0,384	0,811	
Reward	0,471	0,35	0,382	0,828

Source: Researcher's SMARTPLS3 output

Graphic 1 has a Composite Reliability (CR) value for each construct variable: CR Performance = 0.885, Work Environment = 0.874, Motivation = 0.885, reward = 0.897. With a CR value exceeding the threshold of 0.7 (Hamid 2019), It can be concluded that these variables have high reliability and internal solid consistency so that later, the research results can be relied on and interpreted more accurately

Graphic 1. Composite Reliability

From data table 2, there is information on R Square's two variables; the first is the Performance variable. R Square shows a value of 0.672, which means that 67.2% of the variation in performance variables can be explained by reward, work environment, and motivation. High T and shallow P Values (0.000) indicate this relationship is statistically significant. Motivation variable, R Square 0.217 means reward variables and work environment can explain 21.7 variations in motivation variables.

Table 2. Determined coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Kinerja	0,672	0,699	0,050	13,343	0
Motivasi	0,217	0,271	0,075	2,914	0,002

Source: Researcher's SMARTPLS3 output

According to (Hair dkk. 2021), A high R Square value indicates that the model can explain the variation of response variables. In these cases, independent variables in the research model can significantly explain both variables (performance and motivation). Although there is a lower R Square than the performance variable, a reasonably high T Statistic value and a low P Value (0.002) indicate this relationship is statistically significant.

Figure 3 shows the correlation between Work Environment and Performance, which has a positive path coefficient, but the influence is insignificant, where P values are 0.236 > 0.05. These results are in line with (Nugroho and Wahjoedi 2023) that the work environment does not affect performance, while (Ulumudin and Sari 2023) His findings show that the work environment has no direct impact on performance but has an influence mediated by other factors.

In research on work environment and performance, it is essential to consider the potential moderation effects that can make the connection between the two. These findings are shown in Table 3, where there is significance in the indirect influence of the work

environment on performance through motivational mediator variables, with significance values of 0.008 > 0.05. This can be interpreted in part as the influence of the work environment on performance, which can be explained by the role of motivation as a mediator.

Table 3. Data Indirect Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Lingkungan Kerja -> Motivasi -> Kinerja	0,199	0,224	0,083	2,395	0,008
Reward -> Motivasi -> Kinerja	0,197	0,197	0,081	2,423	0,008

Source :Researcher's SMARTPLS3 output

According to (J. O. Br. Sembiring, Lumbanraja, and Sinulingga 2023), Employee motivation can be a moderating factor in the relationship between work environment and performance. Other studies conducted (Rifqiansyah and Yuliantini 2023; E. M. Sembiring, ., and Rostina 2023) Also found that the work environment did not directly affect employee performance; the study found that the work environment only affects employee performance through other factors, such as work motivation and job satisfaction. In this case, the level of motivation acts as a moderation that affects the strength of the relationship between the work environment and performance.
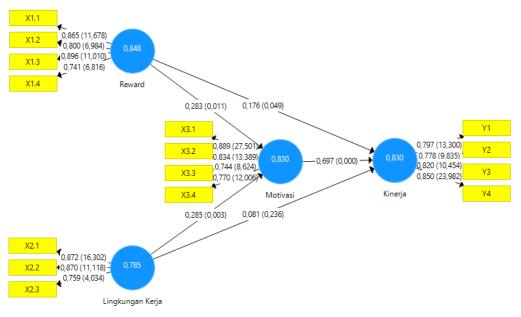
The absence of a relationship between work environment and performance shows that the work environment at FE UM is very complex. Many factors influence it, both physical and non-physical aspects. Physical characteristics include office conditions, work equipment, and facilities. Non-physical factors include work climate, work relations and work culture. The complexity of this work environment makes it challenging to isolate the influence of the work environment on performance directly at FE UM. The work environment can indirectly impact the staff; for example, a comfortable and conducive work environment at FE UM can increase the motivation of the education staff.

Motivation and performance have a favourable path coefficient and are statistically significant P=0. The positive and significant relationship between employee motivation and performance is a concept that has been widely accepted in the context of human resource management and organisational psychology. Leading theories such as Expectancy Theory, Maslow's Motivation Theory, and Job Satisfaction Theory have provided a solid conceptual foundation for illustrating how high motivation can improve individual performance.

In addition, empirical research involving various industries and the public sector has consistently supported this positive relationship. Some studies, such as (Nugraha and Zulfikar 2023; and Nurfadllika and Adinata 2023), show that work motivation positively affects employee performance in various organisations, including government agencies, educational institutions, and companies. Other researchers' findings (Alaghbari, Sultan and Al-Yousfi 2023; Sabir 2017) demonstrate that organisations can improve employee performance by promoting motivation and meeting employee needs. At the same time, (Wayne 2017) Leaders can increase motivation by providing direction, guidance, and evaluation, as well as valuing the work of their subordinates. Therefore, FE UM Leaders must continue prioritising work motivation to improve employee performance and gain a competitive advantage.

Based on the path coefficient value and P value 0.049 < 0.05, it can be concluded that reward and performance have a positive and statistically significant relationship. This statement shows that when employees receive better or greater rewards, they also tend to perform better. Studies conducted across various industries show rewards positively influence employee performance in public services (Chrissy, Namusonge, and Iravo, 2022). Incentive schemes and job recognition significantly improved employee performance in public institutions in Rwanda.

Meanwhile, (Thabit dkk. 2022) research shows that reward systems positively affect employee satisfaction and performance in Yemeni press institutions.

Figure 3. Path Analysis

This finding shows that when FE UM leaders are satisfied with the work completed, education personnel feel valued so that they can improve their performance later. Therefore, FE UM must maintain and design a reward system that suits the needs and preferences of employees as well as the overall goals of the organisation. Thus, the results of this study provide strong empirical support for the importance of effective reward management in improving employee performance in public service institutions.

Based on the path coefficient value and the P value of 0.011 < 0.05, it can be concluded that reward and motivation have a positive and statistically significant relationship. When education personnel receive better or greater rewards, this tends to increase their motivation levels. This statement is in line with (Kristanti and Yudiatmaja 2022). Employees who feel that their efforts and contributions are rewarded and balanced with well-deserved rewards will be more motivated to perform better. (Mofokeng and Aphane 2022) It suggests that extrinsic rewards, such as salary and recognition, are essential in motivating employees at the South African Police Service Training College. It is important to note that rewards can be financial (e.g., remuneration of leave bonuses) or non-financial (e.g., recognition of achievements or career development opportunities)

Based on the P values of 0.008 < 0.05 in Table 3, it can be concluded that reward significantly indirectly influences performance through motivation. This means that rewards can indirectly improve the performance of education personnel through motivation. Studies conducted by (Maria and 2022 Pujianti, HP, and Sulaksono 2022; Setiawan, Rebekah, and Mardiana 2022) All found that reward has a positive and significant effect on employee performance, and this effect is mediated by work motivation. These findings suggest that motivation plays an essential role in mediating the relationship between reward and performance, so FE UM may consider adding reward programs designed to increase employee motivation, which can positively impact performance and achievement of the organisation's vision and mission.

Conclusion

This research has shown that employee motivation significantly mediates reward and employee performance. This indicates that rewards for employees have affected their motivation, which in turn impacts their performance. On the other hand, the work environment also has a positive direct influence on employee motivation and an indirect influence on performance.

The findings of this study have important implications for HR governance at the Faculty of Economics, State University of Malang and similar organisations. To improve employee performance, it is necessary to pay attention to how to provide rewards that can increase employee motivation. In addition, creating a conducive work environment can also contribute positively to employee motivation.

Nonetheless, the study had several limitations, including the limited sample size on a relatively small scale. Therefore, follow-up studies with larger sample sizes may be needed to gain more comprehensive insight into the relationship between reward, work environment, motivation, and employee performance.

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