REWARD AND WORKPLACE ENVIRONMENT ON EMPLOYEE PERFORMANCE AT FACULTY OF ECONOMICS AND BUSINESS SAM RATULANGI UNIVERSITY

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ABSTRACT

Employee performance is an important thing in a company or organization. It plays a vital role because performance of the company or organization depends on their employee performance. There are several factors that can influence employee performance. Several factors that can considered as the major determinants of employee performance are reward and workplace environment. Reward and workplace environment is used to motivate employee performance to achieve their goal. The objective of this research is to know the influence of reward and workplace environment on employee performance. This research used quantitative method. The method used to analyze the data is the Multiple Regression Analysis. This research uses casual type of research where it will investigate the influence of reward and workplace environment on employee performance. The population observed is the employees of Faculty Economics and Business Sam Ratulangi University (FEB UNSRAT) with sample size as many as 30 respondents. This study reveals those rewards and workplace environment has significant effect partially on employee performance in FEB UNSRAT. Therefore, to increase employee performance of FEB UNSRATreward and workplace environment should be considered intensively.

Keywords: employee performance, reward, workplace environment

INTRODUCTION

Research Background

Human resources are not only an ordinary resource for an organization or institution. Human resources play an important role for an organization because it is become an asset or capital for an institution or organization itself. Human resources are not only playing as a main asset for an organization but human resource becomes a valuable asset for an organization because it can be multiplied and developed. Here, human resources are seen as a great asset that can be main factor for successful organization or institution.

In this era of globalization, an organization or institution will be able to win the competition and shows their existence to their competitor if they are supported by qualified and potential employee. Those qualified and potential employee of the organizations will be their valuable asset and become their competitive advantage that differentiates them with others. The success of an organization depends on its ability to manage their employee's talent.

Employees will grow as a tremendous productive asset for organizations when they get an ethical work environment which makes them more valuable and gives them the opportunity to advance their career by achieving the best performance. There are several factors that influence employee performance. Several factors that can considered as major determinants of employee performance are reward and workplace environment.

Reward is the other way to motivate employees' performance. By giving reward to the employee made them feel like their job appreciated and valued by the company that they are working for. If they got this feeling their job satisfaction will be fulfill that could increase their job performance automatically. Reward that given

properly will affect employees' performance to achieves company or organizational goals. Workplace environment is important thing in organizations and have a big influence on employee's performance. With a proper workplace environment like the facilities inside their office, employees are motivated and tend to improve their performance.

Research Objectives

This research has several objectives are to analyze the influence of:

1. Reward and workplace environment on employee performanceof Faculty Economics and Business Sam Ratulangi University simultaneously.
2. Reward on employee performanceof Faculty Economics and Business Sam Ratulangi University partially.
3. Workplace environment on employee performanceof Faculty Economics and Business Sam Ratulangi Universitypartially.

THEORETICAL REVIEW

Human Resources Management

Snell &Bohlander (2010:4) defined human resource management is the process of managing human talent to achieve an organization's objective. Flippo(1980:1)Human resources management as "planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are achieved". In other words, Human Resources Management is the process of hiring and developing employee to become better and more productive like organization's want them to be.

Reward

Dyck and Neubert (2009:458) stated that reward power is the ability to give or withhold positive benefits or rewards.Reward divided into two broad categories which are intrinsic rewards and extrinsic rewards. Schermerhorn et al (2012:123) stated that intrinsic rewards are positively valued work outcomes that the individual receives directly as a result of task performance and extrinsic rewards are positively valued work outcomes that are given to an individual or group by some other person or source in the work setting.

Workplace Environmnet

Chandrasekar (2011) had stated the quality of the employee's workplace environment has most impacts on their level of motivation and subsequent performance. Employees' performance level is depending on the quality of the employees' factors workplace environment which are the job aid, supervisor support and also the physical workplace environment. The connection or relationship between the work, workplace, tools of work had becomes the most important aspect in their work itself.

Employee Performance

Hughes et al (2006:244) defined performance is concerns those behaviors directed toward the organization's missions or goals, or the product or services resulting from those behaviors.A person's performance is a function of several factors, but perhaps it can be boiled down to three primary concerns: ability, motivation, and environment (Snell and Bohlander 2010:396).

Previous Research

Aktar et al (2012), The Impact of Rewards on Employee Performance in Commercial Banks of Bangladesh. Parveen et al (2012), Impact of Office Facilities and workplace Milieu on employees performance.

Research Hypothesis

The hypotheses of this research are:

H_1: Reward and workplace environment simultaneously influence on employee performanceof Faculty Economics and Business Sam Ratulangi University.

H_2:The reward partially influence on employee performanceof Faculty Economics and Business Sam Ratulangi University.

H_3:The workplace environment partially influence on employee performanceof Faculty Economics and Business Sam Ratulangi University.

Conceptual Framework

Figure 1 Conceptual Framework
Source: Data Processed, 2014

Simultaneously - - - - ▶
Partially ——————▶
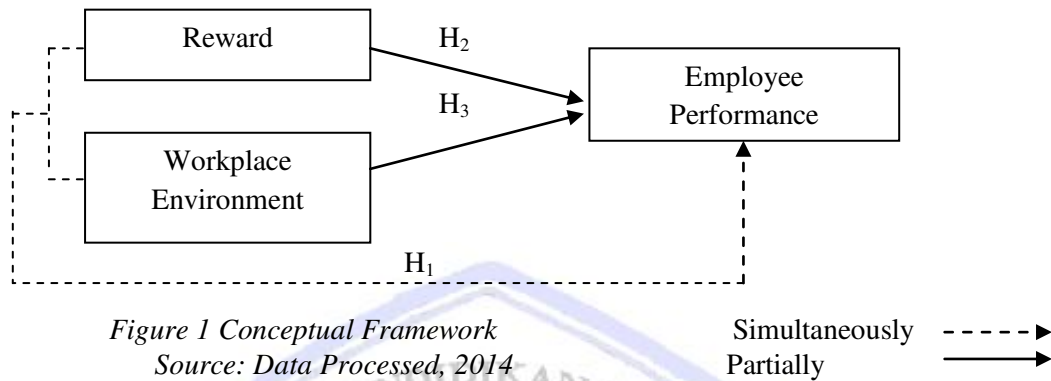
RESEARCH METHOD

Type of Research

     This research is causal type. Causal research is a research that determines if one or more variables cause another variable to occur or change. This research was used questionnaire as a tool to gather data and analysis.

Place and Time of Research

     The study was conducted in the Faculty of Economics and Business of Sam Ratulangi University. This research regarding the employees as respondents from November to December 2014.

Population and Sample

     Population is the entire group of people, events or things of interest that the researcher wishes to investigate (Sekaran & Bougie 2009;262). The population in this research is the employees of the Faculty of Economics and Business of Sam Ratulangi University. According to Sekaran and Bougie (2009;263) sample is a subset of a population that comprises some members selected from it. Simple random sampling was used in this research. Simple random sampling is a probability sampling design in which every single element in the population has a known an equal chance of being selected as a subject (Sekaran&Bougie, 2009:445).The sample of this research is the people or employee atthe Faculty of Economics and Business of Sam Ratulangi University as many as 30 respondents.

Data Collection Method

     Primary data is originated by the researcher specifically to address the research problem. This primary data generated by distributing the questionnaire with the relevant person in charge that become the point of interest for the research. In order to generate more accurate data. In this research the questionnaire distributed to people and employee.Secondary data in this research is gathered from some related books, journals, internet, and literature from library. Secondary data use to support the research in order to develop the fundamental analysis and adding information regarding to the research.

Operational Definitions and Measurement of Research Variable.

Operational definitions of research variables are:
1. Reward (X_1) is a form of appreciation because of succeeds in achieving certain goal.
2. Workplace Environment (X_2) is the situation and condition in workplace.
3. Employee Performance (Y) employee performance is the result of employee's capability in certain period based on the work standard of the organization.

Data Analysis Method

Validity and Reliability Test

The reliability of a measure is established by testing for both consistency and stability. Consistency indicates how well the items measuring a concept hang together as a set, Cronbach's alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another (Sekaran and Bougie 2009:324).

Multiple Regressions on Analysis Method

Multiple regressions use to express the effect of independent variables and the dependent variable. The formula of linear regression (multiple linear regressions) in general as follows: $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$
Where:

- Y   =   Employee performance
- α =   The constant, when all independent variable equal to 0
- X_1 =   Reward
- X_2 =   Workplace environment
- β_1, β_2= The regression coefficient of each variable
- **e**   =Error

RESULTS AND DISCUSSION

Validity and Reliability

The validity test of Reward (X_1) is 0.881, Trustworthiness (X_2) is 0.756and Employee Performance (Y) is 0.665, are above 0.3 which mean that all indicator are valid. The reliability test using Alpha Cronbach. The Cronbach's Alpha parameter, with ideal score more than 0.6. The variable are reliable because the value of Cronbach's Alpha is bigger than 0.6.

Table 1. Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	
B	Std. Error	Beta	TSig.	
1 (Constant)	1.093.2743.984.000			
X_1.731.065.915 3.288.000				
X_2.043.089	.0.394.482.004			

a. Dependent Variable: Y
Source: SPSSdata analysis, 2014

Multiple Regression model is as follow: **Y = 1.093 + 0,731 X₁ + 0,043 X₂**

Where: Y   =   Employee Performance (Dependent Variable)
                   X_1 =   Reward (Independent Variable)
                   X_2 =   Workplace Environment (Independent Variable)

The explanation of the multiple linear regression equation above, it can inform the interpretation as follows:
1. Constant value of 1.093means that if independent variables in this research, reward and workplace environment are equal to zero, then the employee performance is predicted to be 1.093point.
2. Coefficient value of X_1 (0.731) means that if the variable reward (X_1) increases one scale or one unit, it will improve or increase employee performance (Y) by 0.731.
3. Coefficient value of X_2 (0.043) means that if the variable workplace environment (X_2) increases one scale or one unit, it will improve or increase the employee performance (Y) by 0.043.

Test of Classical Assumption
Multicolinearity
Table 2. Collinearity Statistics

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
X_1	.679	1.473
X_2	.679	1.473

a Dependent Variable: Y
Source: SPSSdata analysis, 2014

The calculation multicolinearity through VIF and tolerance. VIF value of Reward (X_1) is 1.473, Workplace Environment (X_2) is 1.473 are <10, this means that there is no connection between the independent variables.

Heteroscedasticity
Heteroscedasticity occurs if there are dots which form a certain pattern regularly as waves. Homoscedasticity occurs if there are no certain patterns which are clear, and the dots spread above and below the 0 the Y-axis
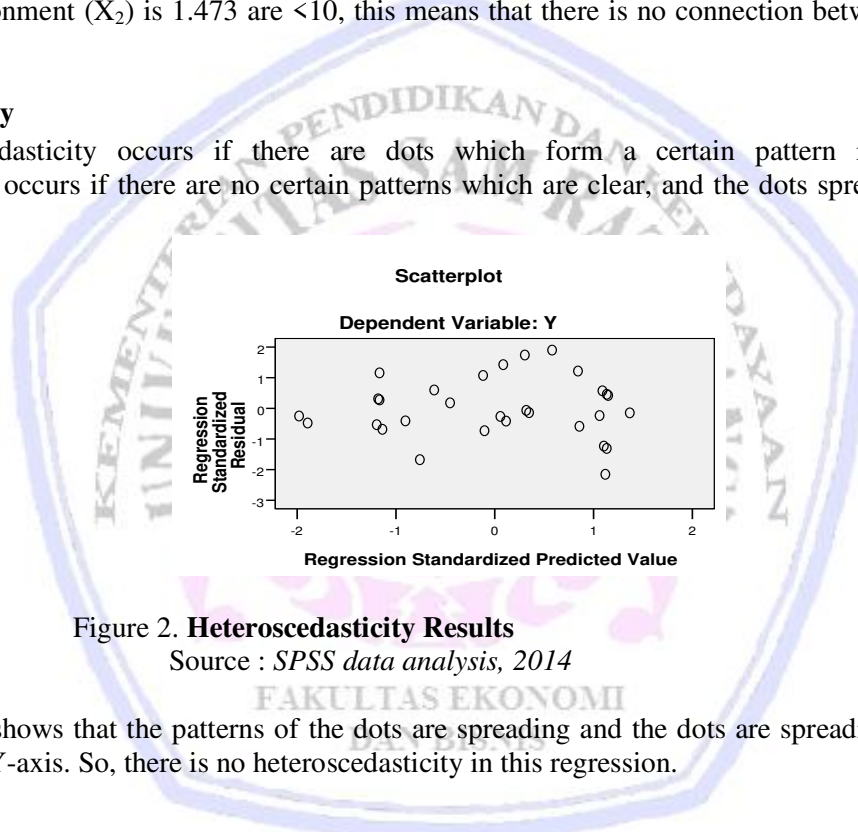

Figure 2. **Heteroscedasticity Results**
Source : *SPSS data analysis, 2014*

Figure 2 shows that the patterns of the dots are spreading and the dots are spreading above and below the zero point of Y-axis. So, there is no heteroscedasticity in this regression.

Normality
Normality test can be identifying by using graph of P-P Plot. The data will distribute normally if the value of P-P Plot is near diagonal line of the graph.
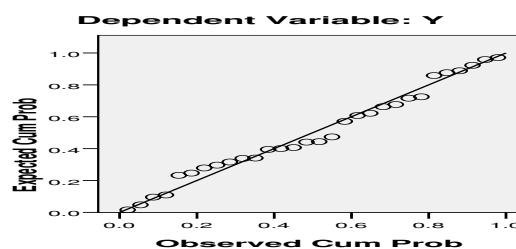

Figure 3. **Normality Results**
Source : *SPSS data analysis, 2014*

Figure 3 shows the dots spread near the diagonal line and follow the direction of the diagonal line. Therefore, the data is distributed normally.

Table 3. Coefficient Correlation (R) and (R Square)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.467(a)	.218	.160	.37170

Source: *SPSSdata analysis, 2014*

Based on the analysis of correlation (r) is equal to 0.467 indicating that the Correlation of The Influence of $X_1 - X_2$ on Y has a strong relationship.

Hypothesis Testing

Table 4. F-test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.113	2	5.057	98.546	.000(a)
	Residual	1.385	27	.051		
	Total	11.499	29			

a.Predictors: (Constant), X_2, X_1
b.Dependent Variable: Y
  Source: *SPSSdata analysis, 2014*

At the level of significant of 0.01 ($\alpha = 0.01$) the f_{table} (from f distribution table) is = 5.39, while the value of f_{count} from the table 4.10 is 98.546. Since $f_{count} = 98.546 > f_{table} = 5.39$ then H_0 is rejected and H_a is accepted. It means all the independent variables simultaneously influence the dependent variable significantly.

Table 5. T-test

Model	T	Sig.
X_1	3.288	.000
X_2	4.482	.004

a Dependent Variable: Y
  Source: *SPSS data analysis, 2014*

The calculations in the table above, the interpretation as follows:

a. t_{count} valuefor X_1 is 3.288 and the value of t_{table} ($\alpha = 0.05$) is 1.697. $t_{count} = 3.288 > t_{table} = 1.697$, then H_0 is rejected and H_a is accepted. It means that the variable reward does partially influence employee performance significantly. At $\alpha=0.01$, $t_{table} = 2.457$. Hence, at $\alpha=0.01$, the $t_{count} > t_{table}$. So, the partial influence of X_1 on Y is very significant.
b. t_{count} valuefor X_2 is 4.482 and the value of t_{table} ($\alpha = 0.05$) is 1.697. Thus, $t_{count} = 3.288 > t_{table} = 1.697$, then H_0 is rejected and H_a is accepted. It means that the variable workplace environment does partially influence employee performance significantly. At $\alpha=0.01$, $t_{table} = 2.457$. Hence, at $\alpha=0.01$, the $t_{count} > t_{table}$. So, the partial influence of X_2 on Y is very significant.

Discussion

This research discovers that there are some factors that influence employee performance. Based on the result of f_{test} there is linear relationship in this multiple regression equation model, in other words all the independent variables influence employee performance simultaneously.

Reward and workplace environment are all factors that influence on employee performance. The result of t_{test} shows that the independent variable such as reward and workplace environment partially has significant influence, consecutively on employee performance.

The result shows that reward has significance influence on employee performance.Most of the respondents agree that reward influence their performance. This is happened because for employee, reward could be defined as a form of feedback and appreciation from company. Reward also could motivate employee to increase their performance and achieve organizational goals. Ajila and Abiola (2004) stated that reward package can influence on employee performance. They concluded that reward system helps to increase employee performance by enhancing employee skills, knowledge and abilities in order to achieve organizational objectives.

The other multiple regression result showed that, Workplace Environment has significant influence on employee performance. This means workplace environment in Faculty Economics and Business is not enough to be considered as a workplace to support employee performance. The workplace environment is the most critical factor in keeping an employee satisfied in today's business world. Physical environment affects how employees interact and perform task.

This result is supported by the theory of Boles et al (2004)stated that by having aproper workplace environment it helps in reducing the number of absenteeism and thus can increase the employees' performance which will leads to the increasing number of productivity at the workplace.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

After examining the findings and discussing the result, the conclusions based on this research are as follows:

1. Reward and workplace environment simultaneously and significantly influence on employee performance of the Faculty Economics and Business.
2. Reward has a positive significant partial influence on employee performance of the Faculty of Economics and Business.
3. Workplace environment has a positive significant partial influence on employee performance of the Faculty of Economics and Business.

Recommendations

There are two practical recommendations that can be concluded from the overall result in this research which are listed as follow:

1. To managerial of Faculty Economics and Business Sam Ratulangi University need to consider about reward and workplace environment because, based on the result of this study those two factors have significant influence on employee performance.

2. For the next researcher may need to add another variable or add intervening variables to make this study to be more accurate with the level of different approaches so that it can assist in the process of further research.

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