THE EFFECT OF REWARD AND INDIVIDUAL CHARACTERISTIC ON EMPLOYEE PERFORMANCE AND THEIR IMPACT ON ORGANIZATIONAL PERFORMANCE AT THE ACEH MALAHAYATI SHIPPING POLYTECHNIC

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http://doi.org/10.35409/IJBMER.2022.3403

ABSTRACT
This study is to examine the rewards and individual characteristics effect on employee performance and their impact on organizational performance at the Aceh Malahayati Shipping Polytechnic (Malahayati Polytechnic). The population was all ASN and Non-ASN employees of the Malahayati Polytechnic as many as 150 people. The census was used so the entire population was as the sample. Data were collected by distributing questionnaires. The data were measured using a Likert scale and analyzed using the AMOS-SEM. The result proves that rewards and individual characteristics can change employee performance and organizational performance. Furthermore, employee performance can support organizational performance improvement, and employee performance is known to partially mediate the rewards and individual characteristics role in organizational performance changes. These findings prove that the model of improving organizational performance at the Malahayati Polytechnic from this study can be used, which is a function of increasing rewards and forming individual characteristics that are following the Malahayati Polytechnic organization so that it can have an impact on changing employee performance in a better direction.

Keyword: Reward, Individual Characteristics, Employee Performance, Organizational Performance.

1. INTRODUCTION
The Malahayati Polytechnic is one of the Sea Transportation Human Resources (Education) development organizations under the auspices of the Ministry of Transportation which has the duty and responsibility to submit reports to the Inspectorate General every 3 (three) months. In carrying out its duties, Malahayati Polytechnic continues to strive to achieve its vision and mission by improving its organizational performance. However, the problem that arises is when the quantity of training graduates participating in both competency training and Seafaring Skills training is owned by the Malahayati Polytechnic, according to data taken from the Strategic Planning Evaluation Report of the Malahayati Polytechnic in 2015-2019, from 2017 to 2019, there was a significant decrease in training participants. From the Realization of Revenue achievement report from the PNPB and BLU sectors, it is known that the training participants in 2017 amounted to 16,952 people, but in 2018 the number of training participants decreased from the previous year's 11,955 and in 2019 it decreased again to 9,178.

The decrease in the number of training participants certainly reflects the less than optimal performance of the Malahayati Polytechnic. One of the causes of less than optimal is caused by employee performance. Employees are a key factor that determines the success of an organization.
At the Malahayati Polytechnic, employee performance is still considered low. One of the factors causing the low performance of employees based on the results of UKI monitoring so far is that participants are not completely related to external service activities in attending meetings, technical guidance, workshops, and the lack of discipline of employees in carrying out their duties. One approach that can make employees more active in improving their performance is to give prizes in the form of rewards. With the implementation of rewards and punishment, employee performance can be improved and the company can achieve its overall goals (Ghoniyyah, Setyaningsih, & Wahyuni, 2017).

In carrying out its duties to achieve its vision and mission, Malahayati Polytechnic continues to evaluate the performance of its ASN. So far, Malahayati Polytechnic has evaluated several aspects concerning rewards as a result of observing incidents of disciplinary violations and imposing sanctions that have occurred so far. found still in the low category with a sanction in the form of an "Oral Reprimand Letter" imposed on 1 person. Whereas in reality so far many employees have committed disciplinary violations but this has been separated from the monitoring of the officers.

In addition to rewards that can improve organizational performance, companies need to also pay attention to and understand the character of each employee or employee, each employee has different feelings, desires, skills, knowledge, encouragement, and interests. Individual characteristics are one thing that deserves attention in an organization. As expressed by (Marsick, 2006) that individual characteristics are important factors to consider when studying workplace learning. Although many previous researchers have produced research results that individual characteristics affect the performance of employees and organizations, there are still research gaps such as those carried out by (Hajati, A, & Wahyuni, 2018) state that individual characteristics have no significant effect on employee performance partially, this result becomes interesting to study in a government organizational environment.

2. LITERATURE
Organizational Performance
Organizational performance is a description of the achievements achieved by the company in its operational activities (Jumingan, 2016); (Navimipour, Milani, & Hossenzadeh, 2018). The top performance of the organization is one of the most important components for managers as the ultimate goal of the organization (Shahzad, Xiu, & Shahbaz, 2017); (Soriano, 2010). (Oyemomi, Liu, Neaga, & Alkhuraiji, 2016). (Cho & Dansereau, 2010) and (Tomal & Jones, 2015) defines organizational performance as the actual results or outputs of an organization as measured against the intended output of the organization. Organizational performance is the combination of individual employee achievements and the results of the entire staff which then forms organizational performance (Qadariah, Majid, & Idris, 2019). Organizational performance is defined as the ability to work human resources in an organization together in achieving the stated goals (Permenpan RB No. 63 of 2003).

From the above definitions, organizational performance is the result of the overall performance of every aspect of the company. These aspects can be in the form of human resources, finance, and others. In this study, to measure organizational performance used the indicators as stated in the Regulation of Minister of State Apparatus of Indonesia (Permenpan RB) No. 63 of 2003, namely (1) productivity, (2) service quality, (3) responsiveness, (4) responsibility, (5)
accountability, (6) efficiency, (7) effectiveness, (8) fairness.

**Employee Performance**

The performance management system defines performance measures for employees, namely the criteria for measuring and calculating performance levels (Imran & Tanveer, 2015); (Ghoniyyah et al., 2017). According to (Waldman, 1994), and (Yazici, 2008), performance effectiveness and organizational reward management impact morale and productivity. Many organizations have found that far from completing stated business goals, their performance and reward systems actually encourage counterproductive behavior. Employee performance refers to a person's achievement measured by the standards and criteria set by the organization (Qadariah, Majid2, & Idris, 2019); (Cho & Dansereau, 2010). Organizational effectiveness consists of the efficiency of each employee (Mastrangelo, Eddy, & Lorenzet, 2014). (Mas’ud, 2004) and (Robbins & Judge, 2017) define staff performance as work results both in quality and quantity produced by employees within a certain period following the responsibilities given.

From some of the definitions above, it explains that employee performance is the result of a person's work which is measured based on work standards set in an organization. In this study to measure employee performance used the indicators as expressed by (Ghoniyyah et al., 2017) namely 1) punctuality, 2) effectiveness, 3) independence, 4) responsibility, 5) discipline, 6) response initiative.

**Reward**

Regular rewards are directed at advancing the company (Wibowo, 2016). With the implementation of Rewards, employee performance can be improved and the company can achieve its overall goals (Ghoniyyah et al., 2017); (Mastrangelo et al., 2014); (Güngör, 2011). The reward management system is a core function of the human resources discipline and is a strategic partnership with company management. In addition, it has an important role in employee performance (Güngör, 2011) ; (Aktar et al, 2012). Rewards are positive outcomes obtained as a result of employee performance and these awards are aligned with the goals of the organization (Salah, 2016) ; (Ibrar & Khan, 2015). Rewards play an important role in employee performance at ElectriCo (Edirisooriya, 2014).

Punishment is an unpleasant form of punishment or sanctions given to employees that are realized when a violation occurs so that it does not happen again. (Panekenan et al., 2019); (Nurmiyati, 2011). According to (Purwanto, 2006), sanctions (punishment) to employees can be given in the form of warnings, warning letters, suspensions, and even termination or termination of employment.

From some of the definitions above, it can be explained that a reward is a form of reward and punishment received for good and bad performance following the provisions or work standards that have been set. In this study, to measure rewards used the indicators as expressed by (Panekenan et al., 2019) namely 1) wages, 2) salary, 3) incentives, 4) allowances, 5) interpersonal rewards, 6) promotion of levels.

**Individual Characteristics**

Characteristic is a distinctive trait, which is attached to a person or an object (Hajati et al., 2018). (Moses, Astuti, & Hakam, 2014) states that individual characteristics include the interests, attitudes, and needs that a person brings into a work situation. Individual characteristics are the
characteristics of an individual who has specific characteristics according to certain characteristics (Panggabean, 2015): (Marsick, 2006). In particular, these characteristics can include learning agility (Dries, Vantilborgh, & Pepermans, 2012), person-job fit (Awoniyi, Griego, & Morgan, 2002); and self-efficacy (Lee, Choi, dan Paek 2013). (Choi, Lee, & Jacobs, 2015) revealed that individual characteristics consist of learning agility, person-job fit, and self-efficacy. Individual or personal characteristics consist of age; Body mass index; sufficient frequency of physical activity to sweat; use of vision correction; smoking habit; the habit of drinking alcohol; and computer information (Jalil, Achan, Mojolou, & Rozaimie, 2015).

From some of the definitions above, it can be explained that individual characteristics are the characteristics of a person in working both from the attitudes, abilities, interests, and values of someone who feels satisfied quickly or vice versa. In this study to measure individual characteristics used indicators as expressed by (Hajati et al., 2018) namely 1) attitude, 2) biographical characteristics, 3) learning, 4) personality, 5) perception, 6) values, and 7) ability

Research Models and Hypotheses
The author formulates the study model framework and hypotheses as follows.

![Figure 1. Effects Between Variables](image)

H1: Reward affects organizational performance
H2: Individual characteristic affects organizational performance
H3: Reward affects employee performance
H4: Individual characteristic affects employee performance
H5: Employee performance affects organizational performance
H6: Reward affects organizational performance through employee performance
H7: Individual characteristic affects organizational performance through employee performance

3.METHOD
This study was conducted at the Malahayati Polytechnic. The object of the research was the performance of the agency's employees which is associated with rewards, individual characteristics, employee performance, and organizational performance. The population was all ASN and Non-ASN employees of the Malahayati Polytechnic as many as 150 people. Census was used, where the entire population was used as a respondent. Data were collected by distributing questionnaires which were measured using a Likert scale. For testing the direct hypothesis, the statistical equipment used is SEM AMOS, while for testing the indirect hypothesis, the Sobel
calculator is used.

4. RESULT
Direct Effect

The results of the model analysis are shown below.

![Structural Model Diagram]

**Figure 2. Structural Model**

The results are figured out below.

<table>
<thead>
<tr>
<th></th>
<th>Estimate Unstandardized</th>
<th>Estimate Standardized</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Performance</td>
<td>0.226</td>
<td>0.340</td>
<td>0.070</td>
<td>3.204</td>
<td>0.001</td>
</tr>
<tr>
<td>Individual Characteristics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Performance</td>
<td>0.219</td>
<td>0.312</td>
<td>0.075</td>
<td>2.925</td>
<td>0.003</td>
</tr>
<tr>
<td>Reward</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>0.468</td>
<td>0.293</td>
<td>0.165</td>
<td>2.839</td>
<td>0.005</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>0.332</td>
<td>0.296</td>
<td>0.110</td>
<td>3.028</td>
<td>0.002</td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>0.287</td>
<td>0.270</td>
<td>0.102</td>
<td>2.817</td>
<td>0.005</td>
</tr>
<tr>
<td>Individual Characteristics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results are explained below.

**H₁ : Rewards in changing organizational performance**

Testing the reward role on organizational performance provided a Critical Ratio (C.R.) value of 3.028 > critical standard of 1.96, and then a p-value or probability of 0.002 < 0.05. Because C.R
3.028 > 1.96 and P 0.002 < 0.05, it can be stated that rewards affect organizational performance. The coefficient value or estimate obtained from the Standardized Regression table is 0.296. This means that rewards play a role in changes in organizational performance by 0.296%.

\( H_2: \) Individual characteristics in changing organizational performance

Testing the individual characteristics' role on organizational performance resulted in a CR of 2.817 > a predetermined critical standard of 1.96, then P 0.005 less than 0.05. Because the C.R value is 2.817 > 1.96 and the p 0.005 < 0.05, it can be stated that individual characteristics directly affect organizational performance. The coefficient value or estimate obtained from the Standardized Regression table is 0.270. This means that individual characteristics play a role in changes in organizational performance by 0.270%.

\( H_3: \) Rewards for changing employee performance

Testing the reward role on employee performance provided CR 2.925 > the critical standard that had been set was 1.96, then the P 0.003 <0.05. Because C.R is 2.925 > 1.96 and P 0.003 < 0.05, it can be interpreted that rewards affect employee performance. The coefficient value or estimate obtained from the Standardized Regression table is 0.312. This means that rewards play a role in changes in employee performance by 0.312%.

\( H_4: \) Individual characteristics for changing employee performance

Testing the individual characteristic role on employee performance provided a CR of 3.204 > the critical standard that had been set, namely 1.96, then P 0.001 <0.05. Because the C.R is 3.204 > 1.96 and the p 0.001 < 0.05, it can be stated that individual characteristics affect organizational performance. The coefficient value or estimate obtained from the Standardized Regression table is 0.340. This means that individual characteristics play a role in changes in employee performance by 0.340%.

\( H_5: \) Employee performance in changing organizational performance

Testing the employee performance role on the organizational performance obtained CR 2.839 > the critical standard that has been set is 1.96, then P 0.005 <0.05. Because the C.R is 2.839 > 1.96 and the p 0.005 < 0.05, it can be said that employee performance affects organizational performance. The coefficient value or estimate obtained from the Standardized Regression table is 0.293. This means that employee performance plays a role in changes in organizational performance by 0.293%.

Indirect Effect

\( H_6: \) Employee Performance Mediated the reward role for organizational performance changes

To test the employee performance mediation on the relationship of rewards to organizational performance in this study used the help of a Sobel test calculator that is shown below.
The Sobel test showed that the reward effect on organizational performance through employee performance was significant because it had a P 0.041<0.05. The total indirect effect for this hypothesis is 0.312 x 0.293 = 0.091. So the values for all paths (A, B, C, and C’ are shown below:

- A = 0.312, P = 0.003
- B = 0.293, P = 0.005
- C = 0.296, P = 0.002
- C’ = 0.091, P = 0.041

The picture above explains that the coefficients of path A, path B, and path C, are significant and the value of path c’ obtained from the Sobel test is significant. it is called partial mediation. The results indicate that employee performance partially and significantly mediates the reward effect on organizational performance by 0.091%.

The results support previous research conducted by (Aktar et al., 2012) Organizations can also derive more overall performance benefits from rewarded employees. When employees demonstrate a high level of performance, the organization automatically directs the achievement of goals (Brewer & Walker, 2013).

**H7 : Employee Performance Mediated the Individual Characteristics role for organizational performance change**

To test the employee performance mediation on the relationship of individual characteristics to organizational performance in this study used the help of a Sobel test calculator is shown below.
Testing with the Sobel test showed that the indirect effect between individual characteristics on organizational performance through employee performance was significant because it had a $P = 0.033 < 0.05$. The total amount of indirect effect for this hypothesis is $0.340 \times 0.293 = 0.099$. So the values for all paths (A, B, C, and $C'$) are figured below:

\[
\begin{array}{c|c|c|c|c}
\text{Input:} & \text{Test statistic:} & \text{Std. Error:} & p\text{-value:} \\
\hline
a & 0.219 & 2.03453751 & 0.05037607 & 0.04189743 \\
b & 0.468 & 1.97579694 & 0.05187378 & 0.04817789 \\
s_a & 0.075 & 2.0986505 & 0.04883244 & 0.0353008 \\
s_b & 0.165 & \text{Calculate} & & \\
\end{array}
\]

**Figure 5.** H7 with Sobel Test

The picture above explains that the coefficients of path A, path B, and path C are significant and the value of path $c'$ obtained from the Sobel test is significant. So it is called partial mediation. The results indicate that employee performance partially and significantly mediates the engagement effect on organizational performance by $0.099\%$.

These results support research (Hsieh, Chen, Lee, & Kao, 2011) which states that individual characteristics affect the self-efficacy and collective efficacy of members, which in turn affect individual and organizational level performance and contextual effects of social work characteristics (SWS) and collective efficacy on self-efficacy and individual performance.

Employee performance is strongly influenced by the way or method of an employee at work. Good character and following good work skills will lead to the best performance, and this will ultimately have a positive effect on carrying out the organization's vision and mission so that it is
very beneficial for the organization in achieving its goals.

5. CONCLUSION

The results of the study prove that rewards and individual characteristics can change employee performance and organizational performance. Furthermore, employee performance can support organizational performance improvement, and employee performance is known to partially mediate the rewards and individual characteristics role in organizational performance changes. These findings prove that the model of improving organizational performance at the Malahayati Polytechnic from this study can be used, which is a function of increasing rewards and forming individual characteristics that are following the Malahayati Polytechnic organization so that it can have an impact on changing employee performance in a better direction. This result also explains that the model can be used academically, namely for further theory development through further research. This model can also contribute to the formulation of improved policies for the Malahayati Polytechnic.

Several descriptions of recommendations are obtained from the facts of the study results. It is recommended that Malahayati Polytechnic can provide training and development to employees on an ongoing basis so that employees can complete the work on time, work effectively and not waste a lot of time, work independently in completing each job and motivate employees to always be present on time and complete tasks regularly.

Leaders must also pay attention to the shape of the individual characteristics of employees so that they can be directed to the appropriate form, one way is by motivating their employees. This can make employees happy when given a task, either light or heavy. Then the leadership can also formulate policies so that the organization can provide sufficient work experience to each employee so that if they get older and have more years of service, it will be easier for them to do their jobs. Leaders must also be able to provide them with education about self-control so that people can deal with problems at work well.

The provision of rewards from the organization should also be increased. Rewards must be given according to the length of working hours outside normal working hours, the salary that must be received is sufficient to meet the needs of life, provide an additional salary equivalent to their performance if they can work better, and also ensure sufficient allowances every year such as the Hari Raya Allowance. and others, as well as employees who have achievements and carry the good name of the organization, must be rewarded and management must place the right people in the right places in the promotion process.

REFERENCES


