

**THE EFFECT OF PERFORMANCE ALLOWANCES,
REWARDS, AND JOB SATISFACTION ON EMPLOYEE
PERFORMANCE WITH WORK MOTIVATION AS AN
INTERVENING VARIABLE
(STUDI AT THE BKKBN OFFICE) IN THE CITY OF BATAM)**

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Abstract

This study aims to determine the effect of performance allowances, *rewards*, and job satisfaction on employee performance with work motivation as an intervening variable at the Office of the National Population and Family Planning Agency (BKKBN) of Riau Islands in Batam City. The independent variables in the study were performance allowance, *reward*, job satisfaction, the endogenous variable in the study was work motivation and employee performance as the dependent variable. The research method uses a quantitative approach and the data source used in this study is primary data obtained directly from respondents in the form of answers to questionnaire statements that have been given. Non-probability sampling as a sampling technique and sampling technique using purposive sampling method, so as to get 88 respondents who are employees at the BKKBN Kepri office in Batam City and registered in the head office integrity pact. This study uses data analysis using SEM-PLS with SMART-PLS software version 3. These results show that: 1) Performance allowance has a positive and significant effect on employee performance. 2) Performance allowance has a positive and significant effect on work motivation. 3) *Rewards* have a positive and significant effect on employee performance. 4) *Rewards* have a positive and significant effect on work motivation. 5) Job satisfaction has a positive and significant effect on employee performance. 6) Job satisfaction has a positive and insignificant effect on work motivation. 7) Work motivation has a positive and significant effect on employee performance. 8) Performance allowance has a positive and significant effect on employee performance mediated by work motivation. 10) Job satisfaction has a positive and insignificant effect on employee performance mediated by work motivation.

Keywords: Performance Allowance, *Reward*, Job Satisfaction, Employee Performance, Work Motivation,

1 Introduction

The rapid and unpredictable development of the global economy, as well as advances in science and technology, require organizations to face unexpected challenges and changes. Organizations need to manage resources efficiently and effectively to survive in fierce competition, with a focus on managing high-quality human resources (HR). The success of an organization is greatly influenced by the performance of its individual employees.

According to (Saputra et al., 2023) the only resources with emotions, desires, abilities, expertise, drive, strength, and effort are human resources. (*rational, rasa and karsa*). The

organization's effort to achieve its goals are influenced by all of this HR potential. Achieving the goals set by the company is a component of workers' contribution to the company's mission and vision. Performance, according to (Saputra et al., 2023) is the extent to which workers successfully complete their tasks within a certain time frame in accordance with established or mutually agreed standards, targets, or work criteria.

Population and Family Planning Agency (BKKBN) "has the task of carrying out the tasks of government duties in the field of control and implementation of family planning." (Regulation Presidential Regulation (Perpres) No. 62 Article 2 (1) Year 2010) in this case, the BKKBN of Riau Province, especially the City of Batam is tasked as an institution that organizing communication, information and education regarding the field of KKB. In addition, BKKBN of Batam City prevention of stunting in Batam City.

Employees are expected to maximize performance and Motivation in supporting the creation of organizational targets organization. Performance improvement can be done through supervision, implementation, governance that emphasizing relationships and cooperation within the organization which is outlined in an organizational structure and provide fair and appropriate compensation (Tamrin et al., 2023).

Issues that are often experienced by BKKBN agencies are low work motivation, lack of recognition recognition of rewards, as well as the benchmarks of position class which is a reference to the performance allowances can make employees work less optimal so that the performance target is still less than achieve the target.

Based on this information, researchers will analyze the effect of performance allowances, awards and Job Satisfaction on employee performance with work motivation as an intervening variable in achieve vision and mission. The goal is to increase motivation and effectiveness and efficiency performance of BKKBN employees optimally so that the achievement of the expected target. So with this, the researcher took the title "The Effect of Performance, Rewards, and Job Satisfaction with Work Motivation as an Intervening Variable".

2 Literature Review

a. Theory Review

Moving goods are household items belonging to people who were originally domiciled Allowance has several definitions, in KBBI, allowance comes from the word tumpang, but this understanding focuses on the word "support" which means: (1) "supporting", (holding, etc.) so as not to fall (leaning, etc.), (2) providing assistance to smooth (business, etc.) through money, etc.; supporters (January & Hasan, 2018). In the book HR Management (Sutrisno, 2009) allowance is a compensation given by organizations and institutions for their employees, because employees are considered to have played a good role in the process of realizing company goals. Performance allowance according to (Najoan et al., 2018) is an allowance for civil servants is a function of the successful implementation of bureaucratic reform. In accordance with the existing description, the performance allowance can be explained to be compensation in financial form given outside the basic salary and adjusted for the performance achievements carried out. Indicators of performance allowances include (Najoan et al., 2018): a) receipt of allowances based on local government regulations, b) benefits obtained provide additional worker income, c) timeliness of getting performance allowances, d) level of adequacy in meeting worker needs, e) receipt of allowances based on worker discipline.

Reward or Reward can be something that has a form, where its origin is from the organization's provision for employees, whether intentionally or not, which is a reward for the contribution and ability of workers to complete their duties, and for employees who provide positive value as a satisfaction of certain needs (Noorazem et al., 2021) Reward or commonly referred to as compensation is an effort to reward employees for their achievements, either in financial or other forms (Yunas, 2020). Reward is an appreciation for an existing achievement, either from an individual or an institution which can generally take the form of words or material (Mega Sulistiyani & Nurul Fachriyah, 2016). Indicators of reward in the opinion of Sunarto et al, (2017) in (Wijaya, 2021b), namely: a) salary, b) incentives and bonuses, c) allowances, d) welfare, e) career development, f) social and psychological rewards.

(Handoko et al., 2021) explains that job satisfaction is identified as a person's general attitude towards a job. Workers can provide an assessment of how satisfied they are doing their current job. Hasibuan (2017) states that job satisfaction is an emotional behavior that has a feeling of love and pleasure in his work. Based on this explanation, job satisfaction can be interpreted as a positive feeling about work duties which is the result or achievement of evaluating the characteristics in it. There are several indicators of job satisfaction according to

(Nasution & DR, 2017) dividing job satisfaction into three levels: 1. fulfillment of basic employee needs, 2. fulfillment of employee desires, 3. fulfillment of employee expectations.

Work Motivation according to Robbins in (Zalianty, 2024) explains, motivation is a willingness as a greater encouragement in the realization of company goals, which includes the ability of these efforts to fulfill one's needs. According to (Sutoro, Arsid, Wahyudi, & Subarto) work motivation is a condition that can be created or born from various aspects which then encourages employees to work harder at the office or company. Based on this explanation, work motivation can also relate to a series of efforts as a supply of certain conditions, so that individuals want to work, and carry out a thing, and if they don't like it, they will try to eliminate and avoid that feeling of dislike. as for the indicators of work motivation according to (Rahmadani et al., 2023) are: 1. Merit pay, 2. Working conditions or the state of the work environment, 3. Work facilities, 4. Recognition from superiors, 5. Work achievement

Performance is a level of success and achievement realized by a person or organization to carry out work in a certain period. According to (Putri et al., 2021) Performance is the result of work in quality and quantity that workers realize when performing their duties based on their responsibilities. In connection with this, workers can learn how much their work is through means of information, for example good comments from their partners but, work performance appraisal focuses on a structured and formal system that assesses, measures, and influences the nature of work-related behavior and results in absenteeism (Agustian, 2019). In accordance with the existing description, employee performance is the result of work both in quantity and quality that workers realize to carry out tasks based on their responsibilities in a job in order to realize company goals. According to (Putri et al., 2021) defines five dimensional indicators of employee performance, namely as follows: a. Quantity, b. quality, c. Timeliness, d. Independence, e. effectiveness, f. Work commitment.

Research by Hasanah et al., 2023) Explains the results that performance allowances and supervision have a significant positive effect on the motivation of North Sumatra BPS employees, supervision and motivation have a significant positive effect on the performance of North Sumatra BPS employees.

The findings of (Derajat & Alfarizi, 2022) explain the results that job promotion and performance allowances have a positive influence on work motivation and performance, it is also found that job promotion and performance allowances can affect work performance through the intervening variable of work motivation.

This gets support from the findings of (Anton, 2024) which explains the results, that training and incentives have a significant positive effect on training motivation, motivation and incentives have a significant positive effect on cadre performance.

Reviewed from research (Tampan et al., n.d.) that the reward system positively affects job satisfaction. Findings from (Maskuri & Suyanto, 2023) show the results that competence has a positive and significant effect on job satisfaction, performance allowances have a positive and significant effect on job satisfaction, workload has a positive effect on employee performance, workload has a positive and significant effect on job satisfaction, performance allowances have a positive and significant effect on employee performance, competence has a positive and significant effect on one's own performance. The relationship between competence, performance allowances, and workload has a positive and significant effect.

b. Literature Review

Research by Hasanah et al., 2023) Explains the results that performance allowances and supervision have a significant positive effect on the motivation of BPS North Sumatra employees, supervision and motivation have a significant positive effect on the performance of

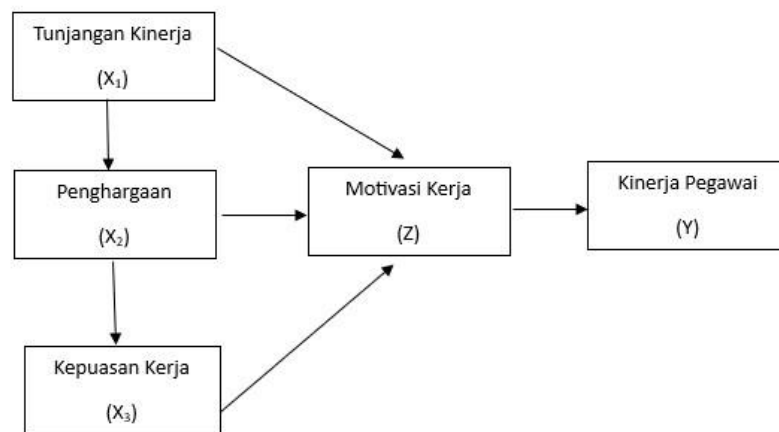
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c. Frame of Mind



H1: Performance Allowance positively and significantly affects the Work Motivation of BKKBN Employees in Batam City.

H2 : Rewards positively and significantly influence the Work Motivation of BKKBN Employees in Batam City.

H3 : Job Satisfaction has positive and significant influence on Work Motivation of BKKBN Employees in Batam City.

H4 : Performance Allowance positively and significantly influences the Performance of BKKBN Employees in Batam City.

H5 : Rewards positively and significantly influence the Performance of BKKBN Employees in Batam City.

H6 : Job Satisfaction positively and significantly influences the performance of BKKBN employees in Batam City.

H7 : Work Motivation positively and significantly influences the performance of BKKBN employees in Batam City.

3 Research Methodology

a. Research Methods

This research uses a quantitative approach method to determine the analytical hierarchy process method to determine the factors that occur in employee welfare at the BKKBN Kepri office in Batam City and find appropriate improvement solutions to minimize the factors that trigger these problems.

b. Population and Sample

The population in this finding is all BKKBN office employees including permanent and contract employees. Sample withdrawal is applied through non-probability sampling method with purposive sampling. The number of samples is 88 respondents and the number is based on the minimum sample size requirement.

c. Types and Sources of Data

The types and sources of data taken in this study are primary data, namely data collected directly from distributed questionnaires.

d. Data Analysis Technique

Data collection was carried out with the aim of obtaining primary data from the answers of BKKBN employees related to the research. Researchers used a questionnaire as a data collection technique that would be given to all employees in the BKKBN office.

4 Results and Discussion

1) Characteristics of Respondents

In doing so, data was collected using questionnaires from 88 respondents. Which included various demographic characteristics such as gender, age, and tenure. The majority of respondents identified were female, the respondents used consisted of 23 men (26.1%), while 65 respondents (75%) were female.

2) Validity Convergen

Based on data processing, the convergent validity of the measurement model is determined using the relationship of the item/instrument score to the construct score (loading factor), where the loading factor of each instrument exceeds 0.70. (Hair et al., 2019). The test was applied through 88 respondents. In this test, the coefficient is obtained according to the r distribution table through a significant level of 70%, the r-label ≥ 0.70 . The significance test is applied through a comparison of the r-count score through the r-label score. If $r\text{-count} > \text{label}$, then the statement is considered valid or green.

TABEL 1. HASIL UJI VALIDITAS

Variabel	Iikator	Outer Loading Value	AVE	Ket
Tunjangan	TK1	0.883	0.717	Valid
Kerja (X1)	TK2	0.892		Valid

	TK3	0.891		Valid
	TK4	0.806		Valid
	TK5	0.754		Valid
Penghargaan (X2)	P1	0.947	0.789	Valid
	P2	0.856		Valid
	P3	0.835		Valid
	P4	0.9		Valid
	P5	0.847		Valid
	P6	0.937		Valid
Kepuasan Kerja (X3)	KK1	0.862	0.736	Valid
	KK2	0.887		Valid
	KK3	0.824		Valid
Motivasi Kerja (Z)	MK1	0.786	0.795	Valid
	MK2	0.848		Valid
	MK3	0.785		Valid
	MK4	0.86		Valid
	MK5	0.819		Valid
Kinerja Pegawai (Y)	KP1	0.957	0.673	Valid
	KP2	0.824		Valid
	KP3	0.901		Valid
	KP4	0.896		Valid
	KP5	0.864		Valid
	KP6	0.874		Valid
	KP7	0.92		Valid

TABEL 2. UJI CROSS LOADING BASED DISCRIMINANT VALIDITY

	TK1	P2	K3	KP	MK
TK.1	0.883	0.215	-0.068	0.456	0.527
TK.2	0.892	0.370	-0.131	0.634	0.563
TK.3	0.891	0.252	-0.072	0.547	0.616
TK.4	0.806	0.564	0.052	0.713	0.603
TK.5	0.754	0.382	0.017	0.458	0.407
P2.1	0.331	0.947	0.098	0.571	0.504
P2.2	0.451	0.856	-0.021	0.674	0.546
P2.3	0.440	0.835	-0.016	0.636	0.543
P2.4	0.408	0.900	0.106	0.570	0.554
P2.5	0.271	0.847	0.061	0.456	0.393
P2.6	0.355	0.937	0.088	0.583	0.518
K3.1	0.015	-0.014	0.862	0.093	0.023
K3.2	-0.034	0.107	0.887	0.120	0.019
K3.3	-0.104	0.035	0.824	0.081	-0.091
KP.1	0.667	0.628	0.145	0.957	0.709
KP.2	0.639	0.593	0.080	0.824	0.713
KP.3	0.632	0.629	0.012	0.901	0.716
KP.4	0.560	0.586	0.093	0.896	0.723
KP.5	0.536	0.527	0.162	0.864	0.600

TABEL 3. UJI CRONBACH'S ALPHA DAN COMPOSITE RELIABILITY

Variabel	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>	Keterangan
Tunjangan Kerja	0.901	0.927	Reliabel
Penghargaan	0.946	0.957	Reliabel

Kepuasan Kerja	0.822	0.893	Reliabel
Motivasi Kerja	0.957	0.964	Reliabel
Kinerja Pegawai	0.878	0.911	Reliabel

Table 1 explains that according to the validity test through convergent validity, all indicators applied by researchers have proven valid because they have outer loading > 0.70 and AVE value > 0.50. Then, the test results through discriminant validity described in Table 2 state that all indicators applied are considered valid because the cross loading value has a score greater than the cross loading of other variable indicators in similar factors. The results of this test in Table 3 show that this research instrument has been proven reliable because the Cronbach's alpha and composite reliability values of all tested variables are greater than the value of 0.70.

The results of the SEM-PLS structural model test of these findings are described in Figure 2. The inner model test in SEM-PLS includes the coefficient of determination (R-square) test, t-value test.

TABEL 4 NILAI R-SQUARE

Konstruk	R Square	R Square Adjusted
Kinerja Pegawai (Y)	0.729	0.716
Motivasi Kerja (Z)	0.536	0.519

The results of the coefficient of determination test in Table 4 show that the R-square is 0.729 for the employee performance variable; 0.536 for the work motivation variable. This result means that the coefficient of determination on the employee performance variable is classified as stronger because 7.29% of the employee performance and work motivation variables, and the remaining 95.6% are explained from other unobserved variables. The coefficient of determination on the work motivation variable is classified as low because 53% of the work motivation variable is explained by the employee performance variable, and the remaining 47% is explained from other unobserved variables.

TABEL 5. HASIL UJI T VALUE

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
X1 -> Z -> Y	0.212	0.215	0.060	3.527	0.000
X2 -> Z -> Y	0.159	0.176	0.061	2.618	0.009
X3 -> Z -> Y	-0.006	-0.009	0.039	0.146	0.884

The t-value test results in Table 5 explain that, if seen according to the p-value, performance allowance affects employee performance, performance allowance affects work motivation, reward affects employee performance, reward affects work motivation, job satisfaction affects employee performance, job satisfaction does not affect work motivation, work motivation affects employee performance. If seen according to t statistics, performance benefits have a greater effect on work motivation than employee performance. The result explains that performance allowance is proven to mediate the effect of work motivation on employee performance. A summary of the results of this

hypothesis test is in Table 6.

TABEL 6. RINGKASAN HASIL UJI HIPOTESIS

Hipotesis	Significance	T Statistic	Kesimpulan
H1: Tunjangan Kinerja mempengaruhi positif kinerja pegawai	0,002	3,058	Diterima
H2: Tunjangan Kinerja mempengaruhi positif motivasi kerja	0,000	5,723	Diterima
H3: Penghargaan mempengaruhi positif kinerja pegawai	0,000	4,559	Diterima
H4: Penghargaan mempengaruhi positif motivasi kerja	0,000	3,905	Diterima
H5: Kepuasan Kerja mempengaruhi positif kinerja pegawai	0,039	2,065	Diterima
H6: Kepuasan Kerja tidak mempengaruhi positif motivasi kerja	0,875	0,157	Ditolak
H7: Motivasi kerja mempengaruhi positif kinerja pegawai	0,000	4,427	Diterima
H8: Pengaruh tunjangan kinerja terhadap kinerja pegawai mendapat mediasi motivasi kerja	0,000	3,527	Diterima
H9: Pengaruh penghargaan <i>pada</i> kinerja pegawai mendapat mediasi motivasi kerja	0,009	2,618	Diterima
H10: Pengaruh kepuasan kerja terhadap kinerja pegawai mendapat mediasi motivasi kerja	0,884	0,146	Ditolak

In accordance with the results of hypothesis testing through SEM-PLS in Table 6, the conclusion is that of all existing hypotheses, namely H1, H2, H3, H4, H5, H7, H8, and H9 and two rejected hypotheses, namely H6 and H10.

5 Conclusions and Suggestions

a. Conclusion

From the test results, it states that the work motivation variable can be used as an intervening variable from job satisfaction to employee performance. This finding explains that, in context of performance benefits, rewards are influenced by employee performance, Job satisfaction is not influenced by employee performance, performance allowances,

rewards get influence from work motivation and job satisfaction is not influenced by work motivation. The test results explain that performance allowances have a positive and significant effect on employee performance, The test explains that the work allowance variable has a positive and significant effect on work motivation, The test states that it is accepted that the award variable has a positive and significant effect on employee performance, The test states that the award variable has a positive and significant effect on work motivation, The test states that the job satisfaction variable has a positive but insignificant effect on employee performance., The test states that the job satisfaction variable has a positive and insignificant effect on work motivation, The test states that the work motivation variable has a significant effect on employee performance, The test states that the motivation variable can be used as an intervening variable between performance allowances and employee performance, From the test results, it states that work motivation variables can be used as intervening variables between awards and employee performance.

b. Suggestion

Based on the results of this study, suggestions that can be given to improve employee performance are as follows: Based on the insignificant value of the Job Satisfaction variable on Work Motivation. So the suggestion for the National Population and Family Planning Agency (BKKBN) National Population and Family Planning Agency (BKKBN), namely the leadership so that more able to increase employee participation in terms of getting opportunity to be heard and give opinions in decision making related to work. In a way such as involving employees by asking problems that often occur in the field, employee complaints and exchanging opinions. employees and exchanging opinions. Based on the insignificant value of the mediating variable, namely Job Satisfaction through the mediation of Work Motivation on employee performance. So the suggestion for the National Population and Family Planning Agency (BKKBN) is to increase the initiative by conducting training, providing a clear jobdesk to employees so that employees will focus on it and of course it is also in line with the National Population and Family Planning Agency (BKKBN). and of course it is also in line with work effectiveness, which will increase the sense of satisfaction at work. which will increase the sense of satisfaction at work by motivate yourself. Based on the performance allowance variable, the suggestion for the National Population and Family Planning Agency (BKKBN) is to impose overtime hours. is to impose appropriate overtime hours so that the level of performance will be better. performance will get better. By the way overtime hours are calculated accordingly and there is no deduction, it provides fulfillment of employee needs.

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