ANALYZING THE IMPACT OF REWARD AND EMPLOYEE DEVELOPMENT ON EMPLOYEE PERFORMANCE AT PT. BANK NEGARA INDONESIA (PERSERO) Tbk MANADO BRANCH

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ABSTRACT

The success of a company, partly seen from the employee performance of the company. Not a few companies that suffer because of the employee's performance is unsatisfactory. Good employee performance to be achieved each company by giving an award to each employee and make employee development. The purpose of this study was to determine the effect of simultaneous and partial reward, employee development to employee performance. Where researchers take the place of research at PT. Bank Negara Indonesia Persero Tbk. Manado (BNI), with a population of 30 respondents as sample and using simple random sampling method. This study uses associative and through multiple regression analysis. The results showed appreciation, employee development has a significant influence on the company's performance both simultaneously and partially. Bank BNI management is expected to pay attention, control the reward, the existing employee development in order to further improve the employee performance.

Keywords: Reward, Employee Development, Employee Performance

ABSTRACT


Kata Kunci : Penghargaan, Pengembangan Karyawan, Kinerja Karyawan
1. INTRODUCTION

Research Background

Banking is one form of business that has a major influence on the economy. Forms of business entities that are in the business of banking is Bank. Bank is an institution which collected and distributed public funds. In conducting its business, the bank has products such as banking services for its customers. BNI is the first state-owned bank that went public by listing its shares in the Jakarta Stock Exchange and Surabaya Stock Exchange in 1996. BNI Manado is one branch of bank BNI which has 16 branches Manado KLN scattered in every region of North Sulawesi. Such as the central bank BNI, BNI bank Manado branch provide financial services such as saving, loans, credit cards, and e-banking.

Human Resources Management is a specialized management field study of the relationship and the role of man in the organization. This is due to human resource management organize the existing workforce within the organization, training and developing human resources within the organization, to achieve organizational goals and employee satisfaction. In fact, human resource importance is clearer for line managers today and if they do not note the new policies, it causes some negative results for them (Syed Umar Farooq and Muahmmad Imran Ullah; Kalim Ullah Khan, 2010). Rewarding has been found to be one of the main organizations policies which can increase the performance of staff and increase the outputs of organizations (Ajila, 1997). The challenge in developing such a program lies in determining what rewards are effective agents of change, what behaviours can be changed and the cost and benefits of eliciting change (Hartman et al, 1994). Rewarding described can be a tool to improve the performance of the workforce but can also be a challenge in which the company or organization's objectives are not achieved or not showing good performance.

Employee development means to develop the abilities of an individual employee and organization as a whole so; hence employee development consists of individual or employee and overall growth of the employee as when employees of the organization would develop the organization, organization would be more flourished and the employee performance would increase (Elena P, 2000). According to Obisi (2011), employee development is a process through which the skills, talents and knowledge of an employee is enhanced and increased. (Champathes, 2006) As when employees would be more developed, they would be more satisfied with the job, more committed with the job and the performance would be increased. When employee performance would increase, this will lead to the organization effectiveness.

Research Objectives

Based on the research problems, the objectives of this research are:
1. To know the impact of reward and employee development on employee performance simultaneously.
2. To know the impact of reward on employee performance partially.
3. To know the impact of employee development on employee performance partially.

Theoretical Framework

Employee Performance

Nickols (2003); Fort and Voltero (2004) identify similar factor that are closely related and affect provider performance in the workplace. Flippo adds that employee performance in institutions results in a more motivated work force that has the drive for higher productivity, quality,
quantity, commitment and drive. Employee performance is higher in happy and satisfied workers and the management find it easy to motivate high performers to attain firm targets. (Kinicki and Kreitner, 2007).

Reward

Reward is an award or appreciation for someone who was given company or organization, because it might make the company forward or has behaved well in the company. Employers get more of the behaviour they reward, not what they assume they will automatically get from employees. Reward programs should be properly designed in the organization so as to reinforce positive behaviour which leads to performance (Torrington & Hall, 2008). (Zhou Qian, Q. Henan and X. Lei, 2009) Reward is the compensation which an employee receives from an organization for exchanging of the service offered by the employee or as the return for work done.

Employee Development

Employee Development according to Obisi (2011), employee development is a process through which the skills, talents and knowledge of an employee is enhanced and increased. Arnoff in Obisi (2011) observed that employees development foster the initiative and creativity of employees and help to prevent manpower obsolescence, which may be due to age, attitude or inability of a person to adapt himself or herself to technological changes. More the developed employees, more they are satisfied with their job, hence increasing the firm productivity and profitability (Champathes, 2006).

Previous Research

Payam Gohari, at al (2013) discussed about the relationship between rewards and employee performance. The research result has proved that rewards and employee performance is a significant positive relationship. Similarity of this research is the researchers examined the relationship rewards and employee performance which rewards an independent variable while the differences, this research also examines employee development which is a variable. W.L.Njanja, R. N. Maina, L. K. Kibet and Kageni Njagi (2013) discussed about Effect of Reward on Employee Performance: A Case of Kenya Power and Lighting, the research result has proved that rewards have been known to have a positive effect on employee performance. But for cash bonuses had no significant effect on employee performance. Hameed, A., and Waheed, A. (2011) this research discussed about employee development and Its affect on employee performance a conceptual framework. The research has proved that literature review on employee development and its affect on employee performance.

Hypothesis Research

\[ H_1 = \text{The reward and employee performance have significant impact on employee performance at PT. Bank Negara Indonesia (Persero) Tbk, simultaneously.} \]
\[ H_2 = \text{The reward has significant impact on employee performance at PT. Bank Negara Indonesia (persero) Tbk, partially.} \]
\[ H_3 = \text{The employee development has significant impact on employee performance at PT. Bank Negara Indonesia (persero) Tbk, partially.} \]
2. RESEARCH METHOD

Type of Research

The type of this research is causal research. Hair, defined causal research as a test whether or not one event causes another. More precisely, a causal relationship means a change in one event brings about a corresponding change in another event.

Place and Time of Research

This study is conducted in PT. Bank Negara Indonesia (Persero) Tbk. Manado Main Branch, Sulawesi Utara. Located at Jl. Letjen M.T Haryono No.1 Manado. This research had done during May – June 2015.

Conceptual Framework

![Conceptual Framework](image)

*Figure 1. Conceptual Framework*

Source: Data processed (2015)

Population and Sample

According to Cooper and Schindler (2004), Population is generalized to the object/subject which have a certain quantity and characteristic that is required by researcher to studying and to gain conclusion (Sekaran and Bougie, 2006). Population in this research will be the permanent employees at PT. Bank Negara Indonesia (persero) Tbk Manado main branch, that work at the back office around 50 employees. In multivariate research (e.g. multiple regression) sample size should be at least ten times larger than the number of variables being considered. In this research, researcher have 3 variables which mean researcher need at least 30 correspondents from permanent employee to use in this research. The number of respondents who obtained used simple random sampling method is around 30 respondents.

Data Collection Method

1. Primary data is a source of data obtained directly from sources that will be examined. The data sources can get or collected by distributing questionnaire to the relevant person and responsible in the hope of will be helping in the research by providing accurate data. In this research the questionnaire distributed to employee permanent of PT. Bank Negara Indonesia (Persero) Tbk.

2. Secondary data is a source of research data obtained by researchers indirectly through an intermediary medium. Example in this research about secondary data is research journals previously.
Data Analysis Method
Validity and Reliability Test

According to Nasution and Usman (2007) in The (2011), test conducted by looking at the value of the MSA (Measures of Sampling Adequacy). If the MSA values above 0.5 then the data can be declared valid, so it can be used for further tests or analyzes. The reliability test in this research used Alpha Cronbach. According to Nasution and Usman (2007) in The (2011), test conducted by looking at the value of Cronbach Alpha with the following limitations: If the reliability coefficient (alpha) is close to 1 means very good. If the reliability coefficient (alpha) is above 0.8 means good. If the reliability coefficient (alpha) is below 0.6 means not good, or in other words, it is stated that the measurements made are inconsistent or unreliable.

Testing Classical Assumptions
Multicollinearity

Multicollinearity is a statistical phenomenon in which two or more independent variables in multiple regression model are highly correlated (Sekaran and Bougie 2009). Multicollinearity shows the intercorrelation of independent variables. R2’s near 1 violate the assumption of no perfect collinearity, while high R2 increases the standard error of beta coefficient and makes assessment of the unique role of each independent difficult or impossible. To assess multicollinearity, researchers can use tolerance or VIF, which build in the regressing of each independent on all the others.

Heteroscedasticity

Sulaiman (2004) said that Scatter Plot is residuals against an independent variable. A model can concluded not apparent of heteroscedasticity if the scatter plot does not from any pattern. Spearman correlation, highly recommended for small samples model, is usually less than 30 samples. A model is said to be infected by heteroscedasticity if the spearman coefficient or correlation has significant value (Sig.<0.05) toward the residual.

Normality

The residual for a given product is the observed value of the error term for that product. A histogram or P-P plot of the residuals can help researchers to check the assumption of normality of the error term, the requirements are as follows The shape of the histogram should approximately follow the shape of the normal curve, and the P-P plotted residuals should follow the 45-degree line.

Multiple Regression Analysis Model

Sekaran and Bougie (2009) stated that multiple regression analysis provide relationship between the independents variables and the dependents variable, the regression coefficients indicate the relative importance of each of the independent variables in the prediction of the dependent variable. The analysis used multiple linear regression analysis using SPSS 21.0 Application can be formulated as follows:

\[ Y = \alpha + b_1 X_1 + b_2 X_2 + e \]

Notes:
- \( Y \) = Employee Performance
- \( \alpha \) = Intercept
- \( b_1, b_2 \) = The Regression Coefficient of Each Variable
- \( e \) = Error Standard or Error Term
- \( X_1 \) = Reward
- \( X_2 \) = Employee Performance
3. RESULTS AND DISCUSSION

Validity and Reliability Test

Validity test is performed by using value of MSA (Measures of Sampling Adequacy). If the value of MSA is above 0.5, the data is considered as valid so it can be used for further tests and analyses. And the data or questions that not valid will be deleted. And reliability test shows that the value of Alpha Cronbach is 0.817, which is above the acceptable limit of 0.6, therefore the research instrument are reliable.

Classical Assumption Test
Multicollinearity

Since all the tolerance value is more than 0.20 and the VIF value is less than 10, then the model concluded to be free from multicollinearity. Based on table 1 shows the tolerance.

Table 1. Multicollinearity Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>(Constant)</td>
<td>,173</td>
<td>,561</td>
<td></td>
<td>,308</td>
<td>,785</td>
</tr>
<tr>
<td>Rewards</td>
<td>,629</td>
<td>,124</td>
<td>,632</td>
<td>5,060</td>
<td>,000</td>
</tr>
<tr>
<td>Employee Development</td>
<td>,309</td>
<td>,128</td>
<td>,302</td>
<td>2,420</td>
<td>,023</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance

Source: Processed Data SPSS, 2015

Rewards is 0.785 and VIF 1.273 and the tolerance of Employee Development is 0.785 and VIF 1.273. All the values of tolerance in independent variable are more than 0.20 and VIF is less than 10. It proves that this model is free from multicollinearity.

Heterocedasticity

![Figure 1. Heterocedasticity](Image)

Source: Processed Data SPSS, 2015

Figure 1 shows the spread of data above and below or around 0 (zero) in the Y-axis, the data dots do not accumulate above or below it, the spread of the data dots do not form a wavy pattern
widened then narrowed and widened again, and deployment data dots are not patterned. Based on the data above can be concluded there is no heteroscedasticity.

Normality

![Figure 2. Normality](Source : Processed Data SPSS, 2015)

From the figure 2 above can be known that the dots spread around the line and follow the diagonal lines. This proves that the model is passing the normality test.

Multiple Regression Analysis

![Table 2. Multiple Regression Analysis](Source : Processed Data SPSS, 2015)

The analysis output is described as this multiple regression equation:

\[ Y = 0.173 + 0.629X_1 + 0.309X_2 + e \]

1. Constant 0.173 show the influence of Rewards (X1) and Employee Development (X2). It means that, in a condition where all independent variables are constant (zero), Employee Performance (Y) as dependent variable is predicted to be 0.173.

2. Variable X1 (Rewards) has an effect to Y (Employee Performance) as many as 0.629. In condition where other variables are constant, if there is one unit increasing in X1 (Rewards), Y is predicted to be increased by 0.629.

3. Variable X2 (Employee Development) has an effect to Y (Employee Performance) as many as 0.309. In condition where other variables are constant, if there is one unit increasing in X2 (Employee Development), Y is predicted to be increased by 0.309.
Hypothesis Testing
F-test (Simultaneously Test)

F-test has a criteria that is, if Fcount > Ftable then reject Ho and if Fcount < Ftable then do not reject Ho. The value of Ftable, can be calculated by using formula of Ftable = FINV (0.05,k-1,n-k).

### Tabel 3. F-test (Simultaneously Test)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>2,701</td>
<td>2</td>
<td>1,350</td>
<td>27,257</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>1,338</td>
<td>27</td>
<td>.050</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4,039</td>
<td>29</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance
b. Predictors: (Constant), Employee Development, Rewards

Source : Processed Data SPSS, 2015

To know the value of Ftable the calculation would be as follows:

\[
F_{count} = 27,257 \\
F_{table} = FINV(0.05,k-1,n-k) \\
FINV (0.05,3-1,50-3) = 3.35 \\
k = the number of variables \\
n = the number of respondents
\]

Based on the ANOVA F-test results on table 4.10, Fcount =27,257 with a significance level of 0.000. In this research, Fcount > Ftable (Fcount is greater than Ftable), then the regression model of F-Test can be 22,257 > 3.35 that means H0 is rejected and H1 is accepted. The regression model can be used to declare that the independent variable of X1 (Rewards), X2 (Employee Development) simultaneously affects the dependent variable Y (Employee Performance).

T-test (Partially Test)

### Tabel 4. T-test (Partially Test)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.173</td>
<td>.561</td>
<td>.308</td>
<td>.761</td>
</tr>
<tr>
<td>Rewards</td>
<td>.629</td>
<td>.124</td>
<td>.632</td>
<td>5.060</td>
</tr>
<tr>
<td>Employee Development</td>
<td>.309</td>
<td>.128</td>
<td>.302</td>
<td>2.420</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance

Source : Processed Data SPSS, 2015

1. Rewards and Employee Performance.
   The value of tcount of X1 (Rewards) is and the value of ttable is , tcount > ttable (tcount is more than ttable). Based on this result, H0 is rejected and H2 is accepted which means X1 Rewards influences Y employee performance partially.

2. Employee Development and Employee Performance.
The value of tcount of X2 (Employee Development) is the result is H0 is rejected and H3 is accepted which means X2 Employee Development influences Y employee performance partially.

Discussion

The company has always wanted a good performance of each employee. No half-hearted company gives a lot of things or values for employees to encourage employees to do their best for the company. From the results obtained from this research which factor reward and employee development showed a significant correlation to variable employee performance. Which is where this research was conducted in PT. Bank Negara Indonesia (Persero) Tbk play Manado branch. Reward variable showed a positive and significant correlation on employee performance of PT. Bank Negara Indonesia (Persero) Tbk Manado main branch. By looking the results of existing wages or salaries of employees feel they get from companies, good and enough to see that there are answers to the questionnaire. Many employees answered strongly agree and agree with these results, this illustrates that the rewards gained encourage employees to work. Guest in Sajuyigbe (2013) argues that the reward is one of the key motivating employees to do the job as expected, according to Umar (2011) the higher wages received by workers, it tends to affect the higher the level of employment. The statements or question being asked in the questionnaire, the respondents answered strongly agree and agree with the company's efforts to provide benefits and bonuses for employees in ahead of their old age and also when employees work overtime this company's efforts made in encouraging good performance. There are some questions as well as indicators or the value of the reward which some respondents strongly disagree and disagree.

According to Obisi (2011), employee development is a process through the which the skills, talents and knowledge of an employee is enhanced and increased. Employee development is a process to train employees according to their ability or their ability to make the field. This variable is very important and to be one factor that always exist in the human resources department program. In this research, after giving a statement or question that is the employee development variable found that many respondents strongly agree and agree that development and training to make the performance more improved and the development and training of employees makes them more disciplined at work, respondents also agree that they do not never absent from work unless employees are sick, and happy to use the best time to work. Everyone works for a wage by giving them the ability to be able to make the best performance for the company. According to Judge and Ferris (1993), perhaps there is no more important human resources system in Organizations other than performance evaluation and the ratings of employees' performance represent critical decisions that highly influences a variety of subsequent actions and outcomes of human resources.

In this research employees give their response to the statement of variable employee performance, respondents completed the work in accordance with the specified quality, finish the work according to the set time, never run away or escape in undergoing job with answers strongly agree and agree. From these results explain the respondents are very concerned about the quality of their work in the work, the respondents did not waste their time in work, and the boredom that often they experienced may not be an obstacle to complete each job. Although the statements about differences of opinion sometimes made respondents found it difficult to complete the work with the group and be able to complete the task in accordance with the targets set, there were respondents who answered disagree and strongly disagree. Perhaps the respondents often have differences of opinion in group work, get the differences in opinion as long as it could have been in positive terms, and build for the performance of the group and the company. If it's negative opinion should not be used any further problems or personal issues.
because it will make problems in the work of the group and can make a goal to be achieved, not achieved properly.

4. CONCLUSION AND RECOMMENDATION

Conclusion

Based on the research results and discussions, the conclusions of this research are:

1. Reward and Employee Development are positive and significant impact on Employee Performance PT. Bank Negara Indonesia (Persero) Tbk Manado, simultaneously.
2. Reward is positive and significant impact on Employee Performance PT. Bank Negara Indonesia (Persero) Tbk Manado partially, because the value of tcount of (Rewards) is and the value of ttable is, tcount > ttable (tcount is more than ttable). Based on this result, H0 is rejected and H2 is accepted which means Rewards influences employee performance partially.
3. Employee Development is positive and significant impact on Employee Performance PT. Bank Negara Indonesia (Persero) Tbk Manado partially, The value of tcount of (Employee Development) is The result is H0 is rejected and H3 is accepted which means Employee Development influences employee performance partially.

Recommendation

Based on the conclusion above, there are some recommendation for PT. Bank Negara Indonesia (Persero) Tbk Manado:

1. PT. Bank Negara Indonesia (Persero) Tbk Manado should consider that the Rewards and employee development affect employee performance. This means that the rewards and employee development will make a positive contribution to the performance of employees when done well. It is recommended that the company should never stop evaluating a shortage of factor rewards and employee development so that employee performance can be maintained or further improved like this.
2. It is suggested to the company to always provide opportunities in the form of salary increases, facilitating employees to strengthen the relationship of co-workers, working conditions, job security, improve the delivery of training, maintaining good welfare, conduct periodic motivation, and provide greater opportunities for promotion on employees in order to further improve the Employee Performance and profitable for the company.

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