THE IMPACT OF REWARD SYSTEM AND JOB STRESS ON EMPLOYEE PERFORMANCE AT PT. PLN (PERSERO) WILAYAH SULUTTENGGO OFFICE

PENGARUH SISTEM REWARD DAN STRESS KERJA PADA KINERJA KARYAWAN PADA PT. PLN (PERSERO) WILAYAH SULUTTENGGO

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Abstract : Employee performance is an important thing in a company or organization. It plays a vital role because of the company or organization depends on their performance. There are many factors that impact the performance such as reward system and job stress. The objective of this research is to know the impact of reward system and job stress on employee performance. This research used a quantitative method, and the method to analyse the data applied by using Multiple Regression Analysis. This research use causal type of research where it will investigate the impact of reward system and job stress on employee performance. The population observed is the employees in PT PLN Wilayah Suluttenggo Office Manado with sample size as many as 100 respondents. This study reveals that Reward System has positive significant influence on employee performance and Job Stress has negative significant influence on employee performance.

Keywords : *Employee Performance, Reward System, Job Stress*

Abstrak : *Kinerja karyawan adalah hal yang penting dalam suatu perusahaan atau organisasi. Dalam hal ini memainkan peran yang penting karena perusahaan atau organisasi bergantung pada pencapain mereka. Banyak factor yang mempengaruhi pencapaian tersebut seperti system reward dan stress kerja. Tujuan dari penelitian ini adalah untuk mengetahui pengaruh dari sistem reward dan stress kerja pada kinerja karyawan. Penelitian ini menggunakan metode kuantitatif, dan untuk menganalisa data menggunakan Multiple Regression Analysis. Penelitian ini menggunakan jenis penelitian sebab akibat dimana hal itu akan melihat pengaruh dari system reward dan stress kerja pada kinerja karyawan. Populasi yang diobservasi adalah karyawan di kantor wilayah PT PLN (Persero) Wilayah Suluttenggo Manado dengan jumlah sampel sebanyak 100 responden. Hasil dari penelitian ini mengungkapkan bahwa system reward memiliki dampak positif yang signifikan pada kinerja karyawan dan stress kerja memiliki dampak negative yang signifikan pada kinerja karyawan.*

Kata kunci : Sistem Reward, StresKerja, KinerjaKaryawan

INTRODUCTION

Research Background

Employee performance will bring progress for the company to be able to survive in a competitive business environment that is not stable. Therefore, efforts to improve the performance of employees is the most serious management challenges because of the success to achieve the goal and the survival of the company depends on the quality of the performance of human resources in it.

Concern about occupational mental health problems, especially job stress seems to have become an international issue recently. The issues concerning job stress in Indonesia is also an issue to be concerned in the field of occupational practice and sciences, although lack of publications as well as specific policy are related.It could be predicted that the increase of complexity and competition of working condition.

While much of the stress can experience comes from their personal lives, sometimes, a person's stress related condition, which may lead to ill-health and/or injury, can be caused by or made worse by work. Work also has the potential to be beneficial for people's mental health and well-being. For instance, being part of a team, achieving results, learning new skills and solving problems are all aspects of work which can add to people's sense of purpose and general life satisfaction.

The reward system consists of all organization components including people processes rules and decision making activities involved in the allocated of compensation and benefits to employees in exchange for their contribution to the organization. In order for an organization to meet its obligations to shareholders, employees and society, its top management must develop a relationship between the organization and employees that will fulfil the continually changing needs of both parties. At a minimum the organization expects employees to perform reliably the tasks assigned to them and at the standards set for them, and to follow the rules that have been established to govern the workplace. At a minimum, employees expect their organization to provide fair pay, safe working conditions, and fair treatment.

This phenomenon can also happen in PT. PLN (Persero) Wilayah Suluttenggo Office Manado. Is an Indonesian government-owned corporation which has a monopoly on electricity distribution in Indonesia .PT.PLN(Persero) Wilayah Suluttenggo Manadoseek to improve the optimization of human resources by taking into account the interest of the employee.

Research Objectives

There are some objectives have to be achieved in this research which is to analyze the impact of:
1. Reward system on employee performance at PT. PLN (Persero) Wilayah Suluttenggo Office.
2. Job stress on employee performance at PT. PLN (Persero) Wilayah Suluttenggo Office
3. Reward system and job stress on employee performance at PT. PLN (Persero) Wilayah Suluttenggo Office.

THEORETICAL FRAMEWORK

Employee Performance

Employee performance is the productivity or result of the employee while doing the job. Employee performance means employee productivity and output as a result of employee development (Sultana et al,2012). Performance is a comparison of the work achieved by employees with a predetermined standard (Waridin, 2004). Employee performance means a performance comprises an event in which normally one group of people the performer or performers act in a particular way for another group of people (Chaudary and Sharma, 2012).

Reward System

Luthans (2000) stated that there are two types of reward system which are financial (extrinsic) and nonfinancial (intrinsic) reward and both can be utilized positively to enhance employee performance. The reward means all form of payroll or reward to employees and staffing arising from them. Payment can be either directly (wages, salary, incentives, bonus) and you may also shape an indirect payment (insurance, holidays at the expense of the company) and may also be the reward is not money (a flexible working hours, a more challenging job) Dessler (2005). Rewards are of two

types, the extrinsic reward and the intrinsic reward. The extrinsic rewards are the tangible rewards in form of pay and benefits while intrinsic rewards are intangible rewards internalized by individual employees as a result of their participation in specified activities. Another word to extrinsic and intrinsic is Financial and Non-financial some texts also refer to them as monetary and non-monetary. Extrinsic rewards also include formal-recognition; base wage or salary, incentive payments, fringe benefits, promotion, social relationship and work environment. The intrinsic reward include Achievement, feeling of accomplishment, recognition, job satisfaction, personal growth and status, job enlargement, job enrichment, team working, empowerment (Byars and Rue, 2005).

Job Stress

According to Imtiaz and Ahmad (2009), job stress is considered rising and has become challenge for the employer and because high level stress is result in low productivity, increased, absenteeism and collection to other employee problem like alcoholism, drug abuse, hypertension and host of cardiovascular problems.Job stress has direct contact with the jobperformance, in which job stress is an independent variable. However, job stress not only impacts the employees'performance, but it can be the cause of versatile negativeoutcomes such as fatigue, less encouragement towards job,employee turnover, unfaithfulness and less punctuality (Glazer & Beehr, 2005).

Previous Research

Aktar, Sachu, Emran(2012) in research titled The Impact of Rewards on Employee Performance in Commercial Banks of Bangladesh: An Empirical Study find that there is a statistical significant relationship between all independent variables with dependent variables employee work performance and all the independent variables have a positive influence on employee work performance.

Ibrar, Khan (2015) in research titled The Impact Of Reward On Employee Performance (a case study of malakatand private school). Find that there is positive relationship between rewards (extrinsic and intrinsic) and employee's job performance. And to implement the rewards system increase the job performance and job satisfaction.

Chandhokand Monga, (2013) in research titled Impact Of Job Stress On Employee's Performance Of Sales Department: A Comparative Study Of Lic And Bajaj Allianz Life Insurance Company Ltd In The. Both of companies are having different atmosphere from each other and there are different factors of job stress causing stress on the employee's performance
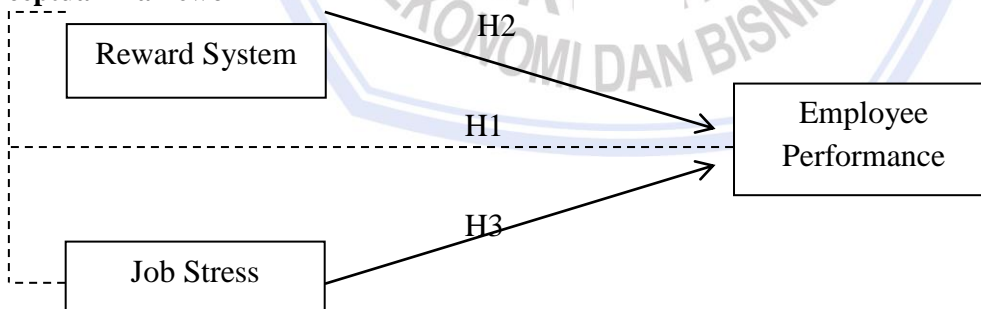
Conceptual Framework

Figure.1 Conceptual Framework
Source: Data Processed, 2016

Research Hypothesis

H_0: Reward System and Job Stress have no significant influence on employee Performance
H_1 : There are influence of reward system and job stress on employee performance at PT PLN (Persero) Wilayah SULUTTENGGO Office simultaneously

H₂ :There is an influence of reward system on employee performance at PT PLN (Persero) Wilayah SULUTTENGGO Office partially.

H₃: There is an influence of job stress on employee performance performance at PT PLN (Persero) Wilayah SULUTTENGGO Office partially.

Type of Research

This research is a quantitative method since using questionnaire and multiple regression as a tool to gather the data analysis.

Place and Time of Research

This research was conducted in PT PLN (Persero) Wilayah Suluttenggo Office Manado, during June to October 2016.

Population and Sample

Population is the entire group or people, events, or things that the researcher desires to investigate (Sekaran and Bougie 2010). The population of this research is the 173 employees at PT PLN (Persero) Wilayah Suluttenggo Office Manado. Sample, according to Sekaran and Bougie (2010) is the subset or subgroup of population collection method. The purposive sampling is technique with certain considerations, Sugiyono (2010). This research use purposive sampling. The sample in this research are 100 employees in PT PLN (Persero) Wilayah Suluttenggo Office Manado.

Data Collection Method

Data collection technique used in this study is Questionnaire. Measurement scale used is the Likert Scale.

Operational Definition and Measurement of Research Variables

Operational definitions of variables are:
1. Reward System (X_1) is the giving by individual or organization to the worker at PLN Suluttenggoemployee as the following job.This variable measure by indicators such asbonuses, promotion, pension , pay, and insurance.
2. Job Stress (X_2) is stress caused or made worse by work. It simply refers to when a person perceives the work environment in such a way that the reaction involves feelings of an inability to be solved. This variable measure by indicators such as organization, individual, and environment.
3. Employee Performance (Y)is a working result achieved someone in carrying out tasks that charged him based on prowess, experience, and earnestness and time.This variable measure by indicators such as quality, quantity, timeliness, effectiveness, independence, commitment of the organization.

Data Analysis Method

Reliability and Validity test

Reliability is a test of how consistently a measuring instrument measures whatever concept is measuring. Validity is a test of how well an instrument that is developed measures the particular concept it is intended to measure.

Multiple Regression Analysis

Multiple linear regression analysis regress where the dependent variable (Y) relates to more than a variable. Analysis regression is used to find a dependency of grades from one variable to another variable or more. The shape of the regression equation is as follows:

$$Y = α + β_1X_1 + β_2X_2 + e$$

Y   = Employee Performance
X_1 = Reward System
X_2 = Job Stress
α   = intercept
$β_1, β_2$ = The regression coefficient of each variable

e   = standard error

Testing of Classical Assumption

Multicollinearity

Multicollinearity is often encountered statistical phenomenon in which two or more independent variables in a multiple regression model are highly correlated.

Heteroscedasticity

Good regression model is the regression that is free from heterocedasticity. When this phenomenon is present, the least square is not the most efficient procedure for estimating the coefficients of the regression model.

Normality

In multiple linear regression models, the residual is assumed to be normally distributed.

Hypothesis Test

F-test

The F-test is used to determine whether significant relationship exists between the dependent variable and the set of all the independent variables

T-test

T-test is used to determine whether each of the individual independent variables is significant.

RESULT AND DISCUSSION

Result

Validity and reliability

By comparing correlation index in Pearson Product Moment with significant level of 5%, therefore the research instrument is valid. The reliability test is done by using Cronbach's Alpha value, the result is shown as follow:

Table.1 Reliability Test

No	Variable	Cronbach's Alpha
1	Reward System (X1)	.892
2	Job Stress(X2)	.861
3	Employee Performance (Y)	.897

Source: Data Processed, 2016

All the variable value is above 0.6, means that all variables are reliable.

Test of Classical Assumption

Multicollinearity

The purpose is to test the assumption of multicollinearity in the regression model, to test whether there is a correlation between the independent variables – reward system and job stress.

Table 2.Multicollinearity

|		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	2.891	.387		7.465	.000		
	Reward System .X_1	.642	.072	.591	8.947	.000	.985	1.016
	Job Stress.X_2	-.466	.074	-.415	-6.286	.000	.985	1.016

 a. Dependent Variable: Employee Performnce
Source:Data Processed, 2016

The VIF value of reward system (X_1) is 1.016 and the VIF value of job stress (X_2) is 1.016, which are less than 10 shows that the model is free from multicollinearity.

Heteroscedasticity
Good regression model is the regression that is free from heterocedasticity.

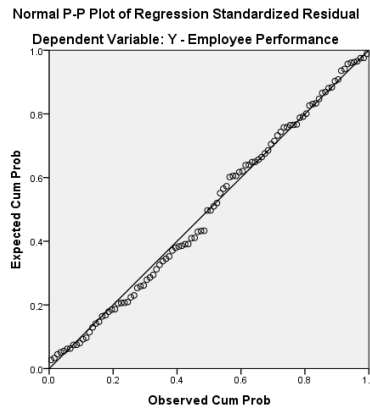**Figure 2.Heteroscedasticity**
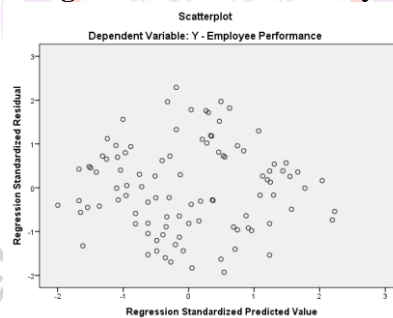
Source: Data Processed, 2016

Figure 2 shows that the patterns of the dots do not spread above and below, or around the number 0, means that 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.

L.M.Keman., W.J.F.A.Tumbuan. *The Impact Of Reward …*

Figure 3. Normality

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Y - Employee Performance

Source: Data Processed, 2016

Figure 3 shows that the dots spreading near the diagonal line and follow the direction of the diagonal line. Therefore, the normality test is completed.

Multiple Regression Analysis

Table.3 Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	2.892	.387		7.465	.000		
	Reward System.X_1	.642	.072	.591	8.947	.000	.985	1.016
	Job Stress.X_2	-.466	.074	-.415	-6.286	.000	.985	1.016

a. Dependent Variable: Employee Performance (Y)

Source: Data Processed, 2016

The result on table above can be expressed in regression equation as:

Y = 2.892 + 0.642X1 - 0.466X2 + e

The Interpretation of the multiple linear regression equation above is as follows :

1. Constant value of 2.892 means that if independent variable in this research, reward system and job stress are equal to zero, then the employee performance is predicted to be 2.892 point

2. Coefficeient value of X_1 (0.642) means that the variable reward system (X_1) increases one scale or one unit, it will improve or increase employee performance (Y) by 0.642

3. Coefficeient value of X_2 (-0.446) means that the variable job stress (X_2) decrease one scale or one unit, it will decrease or reduce the employee performance (Y) by -0.446

Coefficient Correlation (R) and Coefficient Determination (R²)

Table 4.Coefficent Correlation (R) and Coefficient Determination (R²)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.763[a]	.583	.574	.59467

a. Predictors: (Constant), Reward System.X_2, Job Stress.X_1

b. Dependent Variable: Y-Employee Performance

Source: Data Processed, 2016

The coefficient of correlation (R) is 0.763 means the level of relationship between independent and dependent variable is considered as a substantial positive relationship. Reward System, Job Stress and Employee Performance as dependent variable have a substantial positive relationship. The coefficient of determination is identified by R^2= 0.583 which is the figure of coefficient correlation $(0.763)^2 = 0.583$. R square is usually called the coefficient of determination which is 0.583 or 58,3% that means Employee Performance is able to be explained by Reward System and Job Stress. And the rest 41,7% are caused by the other factors.

Hypothesis Testing
F-test
Table 5. F-test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	47.938	2	23.969	67.779	.000[b]
	Residual	34.303	97	.354		
	Total	82.241	99			

a. Dependent Variable: Employee Performance (Y)

b. Predictors: (Constant), Job Stress.X_2, Reward System.X_1

Source: Data Processed, 2016

By using the level of significant of 0.05 ($\alpha = 0.05$) and degree of freedom (df) = 2 found (F) $67.779 \geq 3.09$ (F_{table})The table shows also the significance value is $0.000 < 0.05$.It means that Reward System (X1) and Job Stress (X2) influence Employee Performance (Y) simultaneously.

T-test
Table 6.t-test

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	2.892	.387		7.465	.000		
	Reward System.X_1	.642	.072	.591	8.947	.000	.985	1.016
	Job Stress.X_2	-.466	.074	-.415	-6.286	.000	.985	1.016

a. Dependent Variable: Employee Performance (Y)

Source : Data Processed, 2016

1. For reward system variable (X1), tcount = 8.947 and tα(0.05)= 1.660. Then tcount> tα, which means Ho is rejected and Ha is accepted or X1 has positive significant influence on employee performance.
2. For job stress variable (X2), tcount = - 6.286 and tα(0.05)= - 1.660. Then tcount< tα, which means Ho is accepted and Ha is rejected or X2 has negative significant influence on employee

Discussion

Reward System on Employee Performance

The findings in this research show that Reward System partially has significant influence on Employee Performance. Most of employee on PT PLN (Persero) Wilayah SULUTTENGGO Office agreed that Reward System influence their performance. Many factors can affect the performance of employee, such as giving a reward. With giving a reward to the employee it will help the company to increase the performance of the employee. In management concept, rewards is the one key to motivate the employee to more active. This research support by Ibrar, Khan (2015) Find that there is positive relationship between rewards (extrinsic and intrinsic) and employee's job performance. And to implement the rewards system increase the job performance and job satisfaction.Hasibuan (2002) said that the purpose of awarding compensation betweenothers is for employee satisfaction of employeeperformance who will keepstabilityof employees itself, so it can press the number of the turn-over. In addition, the employees will also be spared from the influenceoflabor unions and finallyjust concentrate on their job only. It can be seen that by giving rewards is more feasible and acceptable to employees because it fits with the energy and ability, as well as appreciate the hard work of the employees, then the employees will further be professionals with work in a conscientious and do various efforts in order to achieve a better work so that performance can be increased.

Job Stress on Employee Performance

Job stress has negative significant influence on employee performance at PT PLN SULUTTENGGOOffice. Stress give a bad impact for employees productivity. When the employees feel stress, they don't have a passion to achieve the company goals.This research support a research by Imtiaz and Ahmad (2009), Hsieh (2004). which are stated that there is negative relationship between job stress on job performance. There are a lot of factors that cause the workplace stress like having so many things to do in a really short time or could be receiving in adequated feedback on performance and no recognition for a job well done. According to Imtiaz and Ahmad (2009) the factors affecting stress were identified, personal issues, lack of administrator support, lack of acceptance for work done, low span over work environment, unprectictability in work environment and in adequate monetary reward.

CONCLUSION AND RECOMMENDATION

Conclusion

The conclusions from the result which are follows:
1. Reward System influence Employee Performance at PT PLN (Persero) Wilayah SULUTTENGGO Office Partially. The company agree that their performance impact by Reward System such as they get bonuses, pension, pay, promotion, and insurance.
2. Job Stress influence Employee Performance at PT PLN (Persero) Wilayah SULUTTENGGO Office Partially. The company agree that their performance will impact negative for company by Job Stress such as the organization, individual, and environment.
3. Reward System and Job Stress influence on Employee Performance at PT. PLN (Persero) Wilayah SULUTTENGGO Office Simultaneously.

Recommendation

The recommendations concluded from the result which are follows:
1. The company should pay attention and improve the existing system within the company in order to ensure the improvement performance of the employee, because it will effect directly on the company's performance. Although the company reward system is good, but the company must always do a review continuously to ensure that there are no errors system and no decrease performance. And maintaining the employee to work well .

2. The company should pay attention, and maintaining the stability of job stress factors caused by individual, environment or organization, through activities to motivate them to not stress. Like gives them recreation, openness with leader, not sue the employee to working hard, that will have an impact to the employee performance.

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