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## The effect of intrinsic and extrinsic rewards on performance of state property and auctions services offices of banda aceh with organizational support and employees involvement as mediation variables

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### Abstract

This study aims to analyze the factors that cause low employee performance in the office Pegawai Banda Aceh State Assets and Auction Service Office. The population determined in this study were all employees who were still actively working in the Banda Aceh State Asset and Auction Service Office, Banda Aceh, as many as 121 people. In this study, the sampling method used the census technique. Data analysis used SEM (Structural Equation Modeling) to verify the path of the relationship between variables in this study using IBM SPSS-AMOS software version 22. The results showed that of the five direct hypotheses tested, all of them showed a significant effect. The significance that occurs in this direct test can be developed between the research model developed and the facts at the Banda Aceh State Asset and Auction Service Office where this research was conducted. Based on the results or findings Organizational Support, Employee Engagement is indeed a determining variable of

improving employee performance. So that the management can use these three variables as tools or tools to improve the performance of existing employees at the Banda Aceh State Asset and Auction Service Office. On the indirect effect, from the two hypotheses tested, although both showed significant results, the involvement of the employee's role in mediating the effect of employee performance on rewards was still better than the organizational support variable, whose coefficient number was smaller than that of employee engagement. Many studies related to employee performance and its predictor variables have been carried out, but the inclusion of upward mobility aspects on employee engagement is still very limited. Whereas the component in upward mobility in Employee Engagement is one of the important components in supporting the improvement of Employee Performance. This is a novelty in this research.

**Keywords:** Intrinsic and Extrinsic Rewards, Organization Performance Organizational Support, Employees Engagement

### Introduction

Employee performance is impacted by different variables including, inherent and extraneous rewards (Ajmal, A., *et al* 2015) <sup>[3]</sup>, organization support (Afzali, An *et al* 2014) <sup>[2]</sup>, and employee engagement (Koskey, *et al.* al., 2015) <sup>[16]</sup>. All of these components should have an impact, it's simply that some are prevailing and some are not predominant. As referenced over, one of the variables that influence employee performance is rewards both intrinsic and extrinsic. The Intrinsic Reward System as per Abasili, *et al* (2017) <sup>[1]</sup>, contains rewards that come from the person's reaction to the actual work, which comes from exchanges between an individual and his obligations without the cooperation of outsiders. Intrinsic rewards are controlled by people in their collaborations with their work. For instance, Intrinsic rewards can be as an awareness of others' expectations, a feeling of challenge, a feeling of prevalence, a feeling of control, a feeling of support, etc. The executives should configuration work so that intrinsic rewards can be accomplished by representatives who satisfy them.

Meanwhile, extrinsic rewards according to Ajmal *et al* (2015) <sup>[3]</sup>, are compensation that is directly delivered and controlled by the organization (third party) and is more visible (easily seen). The extrinsic reward system refers to all rewards outside the work itself. Thus, the extrinsic reward system includes both financial and non-financial rewards given by the organization in its efforts to respond to employee performance, both in quality and quantity. Reward both intrinsic and extrinsic will encourage employees to be more accomplished and productive. This is in accordance with the opinion of Koskey & Sakataka (2015) <sup>[16]</sup> which states that appreciation to employees is one of the factors that can affect employee performance. Related to this opinion, someone who is motivated to work will produce optimal performance.

According to Njanja, L. W, (2013) <sup>[21]</sup> that an extrinsic award can be said to be good if the employee can get a reward in accordance with the work achieved, while an unfavorable extrinsic award demands that the award given is not in accordance with the work achieved. Therefore, it is very important to create extrinsic rewards that can make employees work efficiently and effectively. In addition, good extrinsic rewards can also increase morale so that it has an impact on the performance of employees who are increasingly qualified.

Furthermore, employee performance is also influenced by organizational support factors (Hassan, S., *et al* 2014) <sup>[12]</sup> directed at influencing people who work in the organization, so that employees want to do as expected or desired by the organization, so organizational support is needed Zare, E. (2012) <sup>[33]</sup>. The task of the organization is not only to give orders, but to encourage and facilitate the improvement of the quality of work carried out by members or subordinates. Furthermore, according to Sahin, DR, Çubuk, D., & Uslu, T. (2014) organizational support can help everyone in the organization to be able to do a good job through coaching, facilitating, helping overcome obstacles, and so on. Fazarwati, NA, & Chan, S.

Employee performance is also strongly influenced by employee engagement. The extent to which employees are involved in the decision-making process or provide advice on existing problems. The more involvement of an employee is needed by the organization, the greater the opportunity for the employee to provide better effort to the organization which can later improve its performance (Şahin, DR, *et al.* 2014).

For the State Assets and Auction Service Office both in Banda Aceh and Lhokseumawe as one of the fundamental components of HR have a conclusive job in the achievement of the execution of state resource administrations and closeouts. The better the exhibition of representatives in completing their obligations, obviously, will affect working on hierarchical execution. Be that as it may, tragically this ideal has not been completely achieved. Based on the essential goals at the Regional Office of the Directorate General of State Assets (Kanwil DJKN) Aceh with 12 Key Performance Indicators (IKU) there are 4 indicators that not been accomplished. The level of BMN objects that have been revalued has just been acknowledged at 4.58%, the execution of state receivables the board and responsible sell-offs is still beneath half, which is 29.73%, and ultimately, the level of the nature of spending execution that has not arrived at the objective is just acknowledged at 26%, (DJKN Aceh 2019).

According to DeConinck (2010); Sahin *et al* (2014); Zare, E. (2012) <sup>[33]</sup> one of the causes of low employee performance is due to organizational support factors. This opinion was also conveyed by Conway & Coyle-Shapiro (2012) <sup>[6]</sup> who found a close and directly proportional relationship between organizational support and employee performance. In addition to organizational support, the cause of low employee performance is also caused by employee involvement (Anitha, 2014; Sattar *et al.* (2015) and Ghafoor *et al* 2011) <sup>[4, 26, 9]</sup>. The higher the involvement of employees in the decision-making process within an organization, the higher the probability that they will provide the best for their organization and will have an impact on improving their performance. Njanja *et al* (2013) <sup>[21]</sup> stated that the root of the problem of low employee performance is rewards, both intrinsic and extrinsic.

An example of intrinsic rewards is allowing employees to take on tasks outside of their normal job duties. This will allow employees to feel like they have fulfilled a need within the company, and they will ultimately feel like they are helping the company. While extrinsic rewards can be in the form of tangible benefits given to individuals or employees to achieve something. These benefits usually have a monetary value such as salary increases, bonuses, awards, or public recognition (Njoroge & Kwasira (2015) <sup>[22]</sup>. An example of intrinsic rewards is allowing employees to take on tasks outside of their normal job duties. This will allow employees to feel like they have fulfilled a need within the company, and they will ultimately feel like they are helping the company. While extrinsic rewards can be in the form of tangible benefits given to individuals or employees to achieve something. These benefits usually have a monetary value such as salary increases, bonuses, awards, or public recognition (Njoroge & Kwasira (2015) <sup>[22]</sup>. An example of intrinsic rewards is allowing employees to take on tasks outside of their normal job duties. This will allow employees to feel like they have fulfilled a need within the company, and they will ultimately feel like they are helping the company. While extrinsic rewards can be in the form of tangible benefits given to individuals or employees to achieve something. These benefits usually have a monetary value such as salary increases, bonuses, awards, or public recognition (Njoroge & Kwasira (2015) <sup>[22]</sup>.

Many studies related to employee performance and its predictor variables have been carried out, such as rewards (Khan *et al* 2014) <sup>[14]</sup>, Organizational Support (Conway *et al* 2012; Miao *et al* 2010) and Employee Engagement (Song *et al* 2014; Salanova *et al* 2005) <sup>[25]</sup>. However, the number that includes upward mobility aspects in Employee Engagement is still very limited. Whereas this component is upward mobility in employee engagement, which is one of the important components in supporting the improvement of employee performance as stated by Laud, RL, *et al* (2012). High employee involvement in decision making without the opportunity to "climb a ladder" namely climbing a clear career ladder (progressive carrier path) will not have a major impact on improving performance. Therefore, the authors include the element of upward mobility in this study and place it as part of the employee engagement attribute and see its impact on improving employee performance. At the same time, customization of employee involvement attributes is a novelty in this study according to what was suggested by previous researchers, namely Laud & Johnson (2012).

### Statement of problem

The better the performance of employees in carrying out their duties, of course, will have an impact on improving organizational performance. However, the achievement of performance at this institution has not been achieved because based on the strategic objectives at the Regional Office of the Directorate General of State Assets (Kanwil DJKN) Aceh with 12 Main Performance Indicators (IKU), there are 4 indicators that have not been achieved so that it has an impact on the poor performance of this office. Even though pMany studies related to employee performance and its predictor variables have been carried out, however, those that include upward mobility aspects in employee engagement are still very limited in number. Whereas this component is upward mobility in employee engagement, which is one of the

important components in supporting employee engagement.

### Research Objectives

To examine the effect of intrinsic & extrinsic rewards on organizational support, employee involvement and employee performance on employees, and to examine the effect of organizational support on employee performance and the effect of employee involvement on employee performance.

## 2. Literature Review

### Intrinsic Rewards and Extrinsic Rewards

Intrinsic reward is something that is felt straight by somebody when he accomplishes something, a sensation of help since it has finished something and an increment in self-assurance, etc. (Khan, H. G *et al* 2016) <sup>[14]</sup>. Outward rewards are all that will be gotten by somebody from the climate where he works, where something he will get is as per his assumptions. As per Koskey, AK, *et al* (2015) <sup>[16]</sup>, extraneous prizes incorporate awards of a monetary sort, advancements and relational rewards or regard. This outward prize is given to fulfill essential requirements, security, social necessities and the requirement for acknowledgment.

The effect of Intrinsic and Extrinsic Rewards on Organizational Support has been studied by previous researchers, including Ajmal, A., Bashir, M., Abrar, M., Khan, MM, & Saqib, S. (2015) <sup>[3]</sup>, Kinnunen, U., Feldt, T., & Mäkikangas, A. (2008) and O'Driscoll, MP, & Randall, DM (1999). A., Bashir, *et al* (2015) in his research revealed that there is indeed a positive and significant influence between Intrinsic and Extrinsic Rewards on Organizational Support. The effect of reward on employee engagement has been investigated by Koskey, AK, & Sakataka, W. (2015) <sup>[16]</sup>, Scott, D., McMullen, T., Royal, M., & Stark, M. (2010). Dan Waqas, Z., & Saleem, S. (2014). The result is that reward has an effect on employee engagement. Another researcher, Hassan, S., Hassan, M., & Shoaib, M. (2014) <sup>[12]</sup> in their research, also revealed that there was a significant influence between reward and

### Employee engagement

The effect of rewards on employee performance has been widely studied by previous researchers including Njanja, LW, Maina, RN, Kibet, LK, & Njagi, K. (2013) <sup>[21]</sup>, Bishop, J. (1987). Abasili, FN, Bambale, AJA, & Aliyu, MS (2017) and Khan, HGA, & Afzal, M. (2016). The result is that there is indeed an effect of reward on employee performance. Other researchers, namely Okoth, NH (2014) also found a relationship between these two variables.

*H1: The effect of rewards on organizational support*

*H2: Influence of rewards on employee engagement*

*H3: The effect of rewards on employee performance*

### Organizational Support

Workers who feel they have the help of the organization will have a feeling of significance inside the representative. This will build worker responsibility. This responsibility will eventually urge representatives to attempt to assist the association with accomplishing its objectives, and increment assumptions that work execution will be seen and valued by the association (Miao, R., and Kim, HG 2010) <sup>[20]</sup>. The impact of Organizational Support on Employee Performance has

been concentrated by past scientists including DeConinck, JB (2010), Sahin, DR, Ubuk, D., & Uslu, T. (2014), Sahin, DR, Çubuk, D., & Uslu, T. (2014), and Zare, E. (2012) <sup>[33]</sup>. Other researchers, namely Conway, N., & Coyle-Shapiro, JAM (2012) <sup>[6]</sup> reaffirmed the effect of Organizational Support on Employee Performance.

*H4: The effect of organizational support on employee performance*

### Employee Engagement

Organization that open chances for employee commitment have real qualities and qualities, with obvious proof of trust and reasonableness dependent on shared regard, where both have guarantees and responsibilities between the business (boss) and the worker (representative) that are perceived and satisfied, (Salanova, M 2005) <sup>[25]</sup>. The influence of employee engagement on employee performance has been widely studied by previous researchers including Anitha, J. (2014) <sup>[4]</sup>, Sattar, T., Ahmad, K., & Hassan, SM (2015) <sup>[26]</sup>, Ghafoor, A., Qureshi, TM, Khan, MA, & Hijazi, ST (2011) <sup>[9]</sup> and Song, JH, Lim, DH, Kang, IG, & Kim, W. (2014) <sup>[29]</sup>. Other researchers, namely Salanova, M., Agut, S., & Peiró, JM (2005) <sup>[25]</sup> confirmed the effect of employee engagement on employee performance.

*H5: The influence of employee involvement on employee performance*

### Employee Performance

Employee performance is the consequence of work in quality and amount that can be accomplished by a worker in completing errands as per the obligations given to him (Mangkunegara, 2012). Very little unique, Mahmudi. (2013) characterizes performance as an individual's general capacity to work so as to accomplish work objectives ideally and different focuses on that have been made with penances that are in a more modest proportion contrasted with the outcomes accomplished. Representative execution which is the focal issue in this investigation alludes to the Expectancy Theory created by Vroom *et al.* (2005). This hypothesis clarifies the conduct measures why people pick one social alternative over another. This hypothesis clarifies that people can be propelled towards objectives in the event that they accept that there is a positive connection amongst work and execution (Performance), ideal execution results will bring about wanted prizes, execution prizes will fulfill significant requirements, or potentially the outcomes fulfill their necessities satisfactorily to put forth the attempt advantageous.

### Research Framework

As indicated by Sekaran and Bougie (2003) the hypothetical structure is the establishment on which all examination projects are based. From the hypothetical system, theories can be fostered that can be tried to decide if the planned hypothesis is substantial or not. Afterward it will be estimated by fitting measurable investigation. Alluding to the hypothesis and past research, there is a connection between the factors that have been portrayed already. Thus, the creators fabricate an exploration model as alluded to in the accompanying figure:

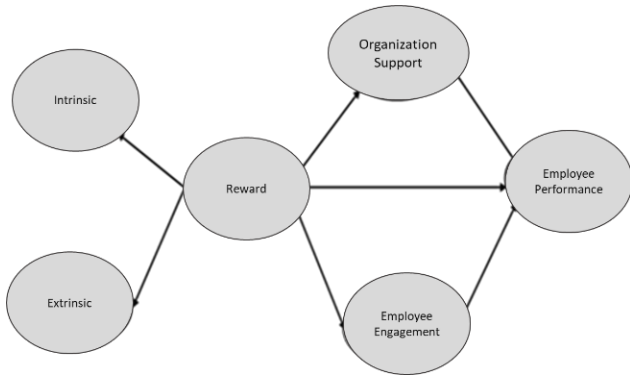


Fig 1: Research Model

**3. Research Methods**

**Research Instruments**

All measurement items were taken from previous studies to ensure validity; however, slight changes to the statement were made to suit the current analysis. The eight-item intrinsic and extrinsic reward questionnaire was adapted from Bulo, *et al* (2015). Five items adopted from Eisenberger, Huntington, Hutchison & Sowa, (2012) were used to measure Organizational Support, while Employee Engagement was operationalized using the six indicator items proposed by Koskey, AK, *et al* (2015) [16]. Then 5 items are used to measure organizational performance which was adopted from Rizky (2012). A questionnaire with a 5-point Likert scale was used to collect data. In addition, this study uses in-depth interviews with several sources (informants) who represent the elements of providers and customers.

**Sample Design and Data Collection**

The population determined in this study were all employees who were still actively working in this office as many as 121 people. In this study, the sampling method used a census technique where all members of the population were selected as samples in this study (Umar, 2012:72).

**Data analysis**

The data analysis technique in this research is descriptive and verification. Descriptive analysis was conducted to assess the demographic profile of the respondents and the internal consistency of construction. While the verification analysis uses SEM (Structural Equation Modeling) to verify the path of the relationship between the variables in this study. In addition, the SEM analysis software is IBM SPSS-AMOS version 22.

**4. Results and Discussion**

**Characteristics of Respondents**

In terms of age, the most respondents came from the age group 31-35 years, namely 42 (34.7%). From gender, there are more men than women, namely 83 (68.6%). Then from the education group the most are those with undergraduate education, namely 60 (49.6%). In terms of tenure, most of them have worked in this institution for <5 years, namely 43 (35.5%)

**Validity with Measurement Model**

United legitimacy plans to decide the legitimacy of every connection between the marker and its inactive build or variable. In this investigation, a loading factor breaking point of 0.50 will be utilized. From the aftereffects of the estimation model computation, there is one item, in particular

R29 that doesn't meet the necessities since it has a loading factor number underneath the necessary one. So this item should be eliminated.

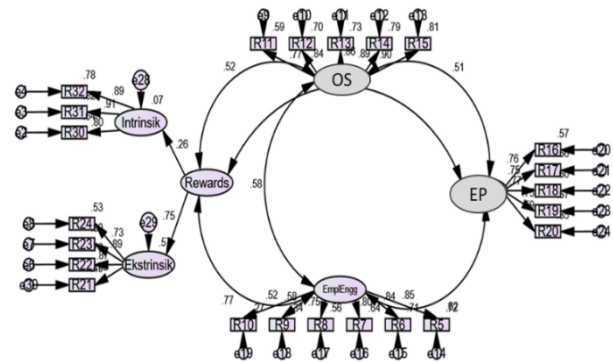


Fig 2: Measurement Model

The new loading factor after elimination can be seen in the table below.

Table 1: New Loading Factor

			Estimate
Intrinsic	<---	Rewards	.261
Extrinsic	<---	Rewards	.753
R30	<---	Intrinsic	.801
R31	<---	Intrinsic	.908
R32	<---	Intrinsic	.885
R22	<---	Extrinsic	.872
R23	<---	Extrinsic	.893
R24	<---	Extrinsic	.729
R11	<---	Org.Support	.771
R12	<---	Org.Support	.836
R13	<---	Org.Support	.855
R14	<---	Org.Support	.888
R15	<---	Org.Support	.902
R5	<---	Emplengg	.851
R6	<---	Emplengg	.842
R7	<---	Emplengg	.802
R8	<---	Emplengg	.748
R9	<---	Emplengg	.584
R10	<---	Emplengg	.521
R16	<---	EmplPerf.	.758
R17	<---	Empl Perf.	.748
R18	<---	Empl Perf.	.771
R19	<---	EmplPerf.	.754
R20	<---	EmplPerf.	.588
R21	<---	Extrinsic	.702

Based on Table 4.2 it can be explained that all the variable items used in this study are all valid, because they have a loading factor number > 0.50.

**Reliability Test**

The reliability test intended in this study is to determine the extent to which the measurement results remain statistically consistent, namely by calculating the magnitude of the composite reliability of the data based on the estimated output obtained using Cronbach alpha. The results are as described in Table 4.3 which shows that the instrument in this study is reliable because its reliability coefficient value is greater than 0.60 (Malhotra, 2006).

Based on the reliability analysis, it can be seen that the alpha for each respondent's perception variable can be seen from several variables Intrinsic & extrinsic rewards are 86.8%,

Organizational Support is 92%, Employee Engagement is 91.9%, and Employee Performance is 82.8%. Thus the reliability measurement of the research variables shows that the reliability measurement meets the requirements of Cronbach Alpha (CA). where the CA coefficient value is at least or greater than 60 percent.

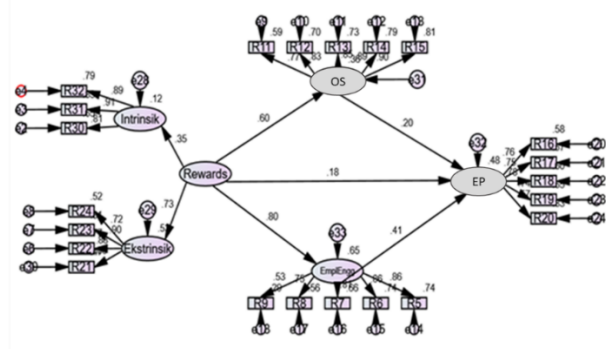
**Table 2:** Reliability Using Cronbach Alpha

No	Variable	Cronbach Alpha	Items	Information
1	Intr. & extr. rewards	.868	8	Reliable
2	Organizational Support	.920	5	Reliable
3	Employee Engagement	.919	6	Reliable
4	Employee performance	.828	5	Reliable

**Hypothesis Testing**

Hypothesis test verification in this study was conducted to test and analyze the effect of Intrinsic Awards and Extrinsic Awards, Organizational Support, Employee Involvement and Employee Performance of the State Property Service Office

and Auction. The verification hypothesis testing consists of testing the direct influence hypothesis and testing the indirect effect hypothesis. The results of testing the direct influence hypothesis can be seen in the following table:



**Fig 3:** Structural Model

**Table 2:** Hypothesis Testing

End.		Exo.	Est.	SE	CR	P	Beta
DO	<---	Rewards	1.558	.346	4.49	***	.596
EE	<---	Rewards	1,814	.381	4.76	***	.805
Intrinsic	<---	Rewards	1,000	-	-	-	.348
Extrinsic	<---	Rewards	1,740	.370	4.69	***	.729
KK	<---	EE	.331	.044	7.55	***	.413
KK	<---	DO	.135	.045	3.03	.002	.196
KK	<---	Rewards	.331	.044	7.55	***	.183

DO: Organizational Support  
 EE: Employee Engagement  
 KK: Employee Performance

**H1: Effect of intrinsic & extrinsic rewards on organizational support**

Testing the Effect of Intrinsic & Extrinsic Rewards on Organizational Support on employee shows a CR value of 4.499 and with a probability of \*\*\*. The two values obtained have met the requirements for the acceptance of Ha, namely the CR value greater than 1.96 and the probability less than 0.05. The magnitude of the coefficient of the effect of intrinsic & extrinsic rewards on organizational support for employees it is 0.596

**H2: Effect of intrinsic & extrinsic rewards on employee engagement**

Testing the effect of intrinsic & extrinsic rewards on employee engagement shows a CR value of 4.761 and with a probability of \*\*\*. Thus it can be stated that the effect of intrinsic & extrinsic rewards on employee involvement is significant.

**H3: The effect of intrinsic & extrinsic rewards on employee performance at the Banda Aceh State Property and Auction Service Office employees**

Testing the effect of intrinsic & extrinsic rewards on employee performance on employees shows a CR value of 7.551 and with a probability of \*\*\*. The two values obtained have met the requirements for acceptance of Ha. The magnitude of the coefficient of the effect of intrinsic & extrinsic rewards on employee performance in this employee is 0.183

**H4: The effect of organizational support on employee performance**

Testing the influence of organizational support on employee performance shows a CR value of 3.036 and a probability of .002. The two values obtained have met the requirements for acceptance. Ha. The coefficient of the effect of organizational support on employee performance is 0.196 or 19.6%.

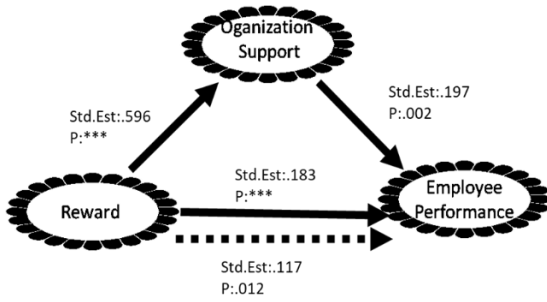
**H5: The effect of employee involvement on employee performance**

Testing the influence of employee involvement on employee performance shows a CR value of 7.551 and with a probability of \*\*\*. The two values obtained have met the requirements for the acceptance of Ha, which is greater than 1.96 and the probability is less than 0.05. Thus it can be stated that the influence of employee involvement on employee performance is significant. The magnitude of the coefficient of the influence of employee involvement on employee performance is 0.413 or 41.3%.

**Serial Mediation Hypothesis Testing (Series Mediation)**

There are 2 (two) serial mediation hypotheses proven in this study, namely: The effect of intrinsic & extrinsic rewards on employee performance through organizational support and The effect of intrinsic & extrinsic rewards on employee performance through employee involvement

**H6. The effect of rewards on employee performance through organizational support**



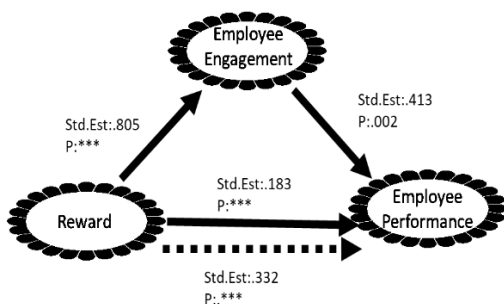
**Fig 4:** The effect of rewards on employee performance through organizational support

The effect of intrinsic & extrinsic rewards on employee performance through organizational support has a Sobel p value score of 0.012 and a Sobel t statistic of 2.496. The two values obtained have met the requirements for the acceptance of Ha, namely the t statistic value is greater than 1.96 and the probability is less than 0.05. Thus it can be stated that the effect of intrinsic & extrinsic rewards on employee performance through organizational support is significant. The magnitude of the coefficient of the influence of intrinsic & extrinsic rewards on employee performance through organizational support is 0.117 or 11.7%. Thus, it can be seen that there is a mediating role in the organizational support variable on the influence of intrinsic & extrinsic rewards on employee performance

Because the effect of intrinsic & extrinsic rewards on employee performance is significant and the effect of intrinsic & extrinsic rewards on employee performance through organizational support is significant, we can say that the role of organizational support in mediating these two variables is Partial Mediating.

**H7. The effect of intrinsic & extrinsic rewards on employee performance through employee involvement**

The results of testing the effect of intrinsic & extrinsic rewards on employee performance through employee involvement have a Sobel p value score of \*\*\* and a Sobel t statistic of 4,023. The two values obtained meet the requirements for the acceptance of Ha, namely the t-statistic value is greater than 1.96 and the probability is less than 0.05. Thus it can be stated that the effect of intrinsic & extrinsic rewards on employee performance through employee involvement is significant. The magnitude of the coefficient of the influence of intrinsic & extrinsic rewards on employee performance through employee involvement is .183 or 18.3%.



**Fig 5:** The effect of intrinsic & extrinsic rewards on employee performance through employee involvement

Because the influence of intrinsic & extrinsic rewards on employee performance is significant and the influence of intrinsic & extrinsic rewards on employee performance through employee involvement is significant, we can say that the role of Employee Engagement in mediating these two variables is Partial Mediating.

**5. Discussion**

Of the 5 direct hypotheses tested, namely the effect of intrinsic & extrinsic rewards on organizational support for employees of the Banda Aceh State Asset and Auction Service Office, the effect of intrinsic & extrinsic rewards on employee engagement, the effect of intrinsic & extrinsic rewards on employee performance at the State Assets Service Office employees and Banda Aceh Auction, The effect of organizational support on employee performance, the effect of employee involvement on employee performance at the State Property Service Office and Banda Auction, all of which show a significant effect. The significance that occurs in this direct test indicates that there is a match between the research model developed and the facts in which this research was conducted.

Based on the results or findings presented in the previous section, it means that the intrinsic & extrinsic reward variables. Organizational Support, Employee Engagement is indeed a determinant variable of improving employee performance. So that the management can use these three variables as tools or tools to improve the performance of existing employees at the Banda Aceh State Asset and Auction Service Office. This is in line with research conducted by Bulu, Aqrian Anggirsu and William Alfa Tumbuan (2015).

To support the strongest increase in employee performance, it can be done through employee engagement variable, because this variable has the largest magnitude number compared to the other three variables, namely 41.3% compared to Organizational Support of 19.6% and Reward which is only 18.3%. On the indirect effect, of the two hypotheses tested, although both showed significant results, the role of employee engagement in mediating the effect of rewards on employee performance was still better than the organizational support variable. The path of the effect of rewards on employee performance mediated by employee engagement has a greater coefficient of 33.2%, compared to the indirect effect mediated by organizational support which only has a coefficient of 11.7%.

**6. Conclusion**

From the discussion that has been carried out in the previous section, research findings related to hypothesis testing were carried out either directly or indirectly. In principle, the model built is based on a literature review and preliminary research based on references related to the field under study, in this case improving employee performance. Based on the literature review, a research model was built as presented in the previous section in this research paper. And in fact, after going through a series of tests, it turned out that all the hypotheses that were built involving the Intrinsic and Extrinsic Rewards, Organizational Support, Employee Engagement and Employee Performance variables proved significant and had a positive effect.

For further research development, variable synthesis can also be added to create new variables from the results of the synthesis of two or more variables in this study. The synthesis

of these variables must of course be carried out based on existing field facts combined with theoretical concepts related to the variables to be synthesized, which can influence customers to use goods or services that are different from other companies.

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