

EFFECT OF REWARD EXTRINSIC AND *PERSON JOB FIT* ON PERFORMANCE EMPLOYEES (STUDY ON MINING COMPANY)

Devia Lorensa¹, Asrianiz², Tedy Andrianto³

¹Master of Management in the Faculty of Economics and Business, Mulawarman University

²Master of Management in the Faculty of Economics and Business, Mulawarman University

³Master of Management in the Faculty of Economics and Business, Mulawarman University

Email: devialorensa@gmail.com, astridasriani363@gmail.com, lauwtunging@hotmail.com

Abstract: This study aims to analyse the effect of extrinsic rewards and person job fit on the performance of mining company employees. The population that is used in research this is of entire departments that exist in the Company mines with the number of samples as much as 100 people. Research carried out by using the approach quantitative. Data of the respondents is processed using a technique analysis of regression linear multiple. Based on data collected using the study of literature, interviews, and questionnaires show that reward extrinsic not affect significantly on the performance of employees at the company's mine for the reward Intrinsic may need to consider their reward intrinsic the form of non- financial. While person job fit has a significant effect because the company has implemented the system, one of which is to improve performance and reduce employee turnover intention.

Keywords: *Extrinsic Reward, Person Job Fit, Performance*

1. Introduction

Companies need to put the source power human (HR) as the scale of priorities in order to survive in the global era, because HR has a role major in any activities of the company (Koencoro, 2014). In the environmental business that competitive, organizations face many challenges, especially how to get employees who effectively and efficiently and maintain them. In addition, the benefits of HR become one of the most important advantages of any organization. To obtain efficient and effective results, it is necessary to motivate employees, because employees will achieve the highest performance if their work is valued by managers (Gohari, 2013: 590). Many have done the company to improve the performance of employees of one satuya by giving rewards. According Edirisooriya (2014: 313) reward is salary or wages, bonuses, benefits, promotions, recognition, advancement career, bear responsibility and the opportunity to learn that aims to motivate employees in order to work with the more well so as to increase productivity or performance. Reward is divided into two types, namely reward extrinsic and rewards intrinsic. Reward extrinsic a reward real, could be financially such as salaries and bonuses, allowances, could also non- financial such as promotions. Reward Intrinsic is a reward that does not have the form of a real that is received by the employee on his own as gain recognition, bear responsibility and opportunity to learn.

With employees were quite a lot and work are quite heavy companies require workers who were able to carry out roles and responsibilities responsible work with both in order to achieve performance that is expected. For the sake of realizing the creation of all the objectives and targets of business enterprise, then the required source power humans are capable to support the operational process of the business enterprise. Where is the source of the power of human choice is obtained the company of several stages of the process of the general who carried out the parts division of the source power of man such as recruitment, selection and training. The source of the power of man who qualified are currently having engagement work are high with the work, because the level of involvement of the

work of every individual will affect the performance of the company as a whole. With the increasing involvement of labor will make the productivity and effectiveness of the company increased (Brown, 1996). Involvement of work is also a form of attitude positive that owned the workers that will affect the performance of them.

2. Literature Review

Reward

Reward is a reward, gift, lawyer-reward system or rewards that aims to be a person becomes more viable again attempt to fix or improve the performance which has been achieved (Nugroho, 2006: 5). According Simamora (2004), in Koencoro et al, (2014: 2) The *reward* is a reward / awards are given to employees in order to increase the productivity of the employees in order to achieve the excellence that is competitive ". To find out the magnitude of the proportion of reward in influencing employee performance research needs to be done (Allen & Kilmann, 2001: 74). With the opinion of the experts above it can be concluded that the reward is a reward, prizes, awards or rewards which aims to motivate employees in order to work with the more well so it can improve its performance. Aisha (2006: 1) says the *reward* is divided into two types, namely *reward* extrinsic and *rewards* intrinsic case is also in accordance with the opinion Bryas & Rue (2000: 300) and Edirisooriya (2014: 315). Based on the research empirically that do Yapa (2002), Zaman (2011) Qureshi, et. Al (2010) Hashim (2011) in Edirisooriya (2014: 314) proves that the indicators of extrinsic *rewards* that are often tested or examined are salary / wages, bonuses, benefits, and promotions. Based on the research empirically that do Yapa (2002), Zaman (2011) Qureshi, et. Al (2010) Hashim (2011) in Edirisooriya (2014: 314) proves that the indicators of extrinsic *rewards* that are often tested or examined are salary / wages, bonuses, benefits, and promotions,

Job Fit Person

In a sense that is more extensive Kristoff (1996) in June & Mahmood, 2011, defines the word *fit* of the overall perspective as a term in which people and organizations who have been doing various efforts consideration from all angles of view so that the creation of a conformity. While the definition of *person-job fit* in more specifically, according to Edward (1991) in (Hsu, 2012) is " a match between the ability of a person and the demands of the job or the need / desire someone and what that is provided by the work ". Understanding other than *person-job fit* is the extent to which a matching job specified with the skills, abilities, and interests of individuals (Greenberg, 2002 in June and Mahmood, 2011). Meanwhile, according to Mosley (2002) the definition of *person-job fit* refers to the suitability between individual knowledge, skills and abilities (KSA) and job demands.

Person Job-fit can be explained from two dimensions are different, the first is an additional (*supplementary*) and supplementary (*complementary*), while the second is the Demand-Ability (DA) and Need-Supply (NS) (June & Mahmood, 2011). *Supplementary-fit* is a condition in which a person's characteristics are similar to an organization's environment or to others. On the other hand, *Complementary-fit* occurs when individual characteristics fill the void / space of the organization so that it complements and makes the organization more complete. In connection with the two dimensions that has been mentioned regarding the *person-job fit*, Cable and Deryue (2002) conceptualize the *person-job fit* in the two forms are different, ie, *need-supply* (NS) *fit* and *demand-ability* (DA) *fit*. NS *fit* shows the extent to which employee desires can be fulfilled by what is offered by the job. The desire of employees is comprised of needs of psychological, values, objectives, interests and preferences, while the things that are offered by employment includes salaries, benefits, training, jobs are interesting and challenging, chances of promotion, recognition, conditions of work are good, and freedom of decision making. DA *fit* shows the extent to which job demands can be met by employee knowledge, skills and abilities (fulfillment of requirements). The demands of

work consists of the burden of work, terms of performance and activities instrumental. Fulfillment of requirements refers to talents, experience, and education of employees.

Edwards (1991) mentions that the study of the most empirical of *person-job fit* was focused on conformity between the wishes of employees (employee-related) and demand (job -related). In some research earlier that had been done by using analysis of correlation, shows that *person-job fit* affect positively the *performance* (Hsu, 2012). Based on some understanding of the above it can be concluded that *person-job fit* is conformity between employees with jobs are obtained, with a look at the capabilities that are owned by employees and the demands of the job were charged.

With a term which slightly differ Holland in (Robbins 2003: 103) " express *personality-job fit theory*. The theory is based on the opinion of the conformity between the characteristics of the personality of the individual with the job. In essence the theory of Holland is about the theory of vocational who say that people will do the best in the work that correspond to the nature and personality of them ". In addition to understanding above Cable & Judge, 1996; Kristof-Brown, 2000 in Cable and Derue (2002) explains that there are differences between *person organization fit perceptions* and *person job fit perceptions*. *Person organization fit* refers more to the assessment of the suitability of employee's personal values with the culture of the organization , while the *person job fit* is more to assess suitability in terms of the suitability of the skills and knowledge of employees with work demands .

Measurement *Person Job-Fit* uses six indicators were adapted from Cable and DeRue (2002).

1. Respondent's statement that there is a similarity between the respondent's expectations and what is offered by his job
2. Statement of the respondents that there is conformity between the salary that is offered by the work of the respondent in accordance with the requirement that the respondent had
3. Statement of the respondents that there is conformity between the training that is offered by the work of the respondent in accordance with the requirement that the respondent had
4. Respondent's statement that the work that the respondent is currently doing provides all the things that the respondent wants / needs .
5. Statement of the respondents that there is conformity between the needs of companies and the expertise that is owned by the respondent .

The performance

In carrying out its work, employees produce something that is called with the performance . Performance is the result of work someone employee during the period specified in comparison with various possibilities eg standards, targets / objectives or criteria that have been set up in advance and agreed together . Performance is the result of work that can be achieved by a person or group of people within an organization , in accordance with the authority and responsibility in charge of each , within the framework of efforts to achieve the purpose of the organization in question is legal, does not violate the law and in accordance with the norms and ethics. Mangkunagara (2010: 67) says : " Performance is the result of work by the quality and quantity of which is achieved by one's employees in carrying out their duties in accordance with sole responsibility that was given to him . Statement at the top with a clearly demonstrate that the term performance is the result of work that is expressed in the quality and quantity by an employee. Hasibuan (2011: 94) says : " Performance is a result of work that is accomplished person in carrying out the tasks which are charged to him were based on skills , experience and seriousness as well as time. While Hariandja (2009: 195) states : " Performance is the

result of work that is produced by the employee or the behavior of the real that is displayed in accordance with its role within the organization. From the above only as a result of the work of an employee. Performance employees are encouraged is a thing that is very important in an organization to improve. One one is through the assessment of performance or management performance . To achieve the performance of the well , the elements of the most dominant is the source of the power of man, although the plan has been structured with a good and neat but if the person or the personnel who carry out are not qualified and do not have the spirit of the work are high , then the plan which has been drawn up that would be futile .

Mathis and Jakson (2011: 78) argues that the performance in essentially is what the do or not do employee. The performance of employees is that affect how much they membei contribution to the organization which among others include : 1) The quantity of output, 2) The quality of the output, 3) Long time output, 4) Attendance at the place of work , and 5) Attitude cooperative . Meanwhile, according to Mangkunagara (2010: 75) elements are rated on performance are : 1) The quality of work , 2) The quantity of work , 3) Reliability and 4) Attitude . The quality of work consists of accuracy , accuracy , skill , cleanliness . The quantity of work is composed of output and the completion of the work with the extras . Reliability consists of following instructions , initiative , caution , crafts . While attitudes consist of attitudes towards the company , other employees and work and cooperation .

Performance is the behaviour of the real that is displayed every person as an accomplishment of work that is produced by the employee in accordance with its role in the agency . The performance of employees is a matter that is very important in the efforts of agencies to achieve the goal . Agencies generally basing planning objectives are going to be achieved the days ahead with the behavior that is expected of the entire personnel in realizing the objectives of the . Interest primary assessment of performance of employees is to motivate employees to achieve the goals operations and in fulfilling the standard of behavior that has been set previously (Cahyono, 2015: 145).

Extrinsic Reward for Performance

Edirisooriya (2014) conducted a study of the impact of rewards on employee performance: with special reference to electric. The purpose of the study is to determine the extent to which the reward extrinsic and intrinsic impact on the performance of employees in the organization of the public sector in Sri Lanka. To Achieve Research Goals , quantitative research design is carried out with a deductive approach . The designed questionnaire was used as a primary data collection method . Data were analyzed by using statistical inferential . The results of the study indicate that there is a relationship positive between reward extrinsic , isintrinsik , and the performance of employees . Gohari , et.al. (2013) conducted a study of the relationship between rewards and employee performance: a mediating role of job satisfaction. This study aims to examine the relationship between reward, job satisfaction and employee performance . The results of the research have shown that rewards the intrinsic had the effect of which is great against the performance of the employees of the reward extrinsic . In research it proposes a framework of work just by mediation keupasan work . Besides that Rizky , et.al. (2016) conducted research on the effect of extrinsic and intrinsic rewards on performance with job satisfaction as an intervening variable . This study also aims to determine the relationship between extrinsic reward , intrinsic , and performance through job satisfaction . The results of the study have demonstrated that reward extrinsic have influence that is more substantial than intrinsic to the performance of the employee . Based on the research background behind and research earlier that there is , amak can be arranged hypothesis as follows :

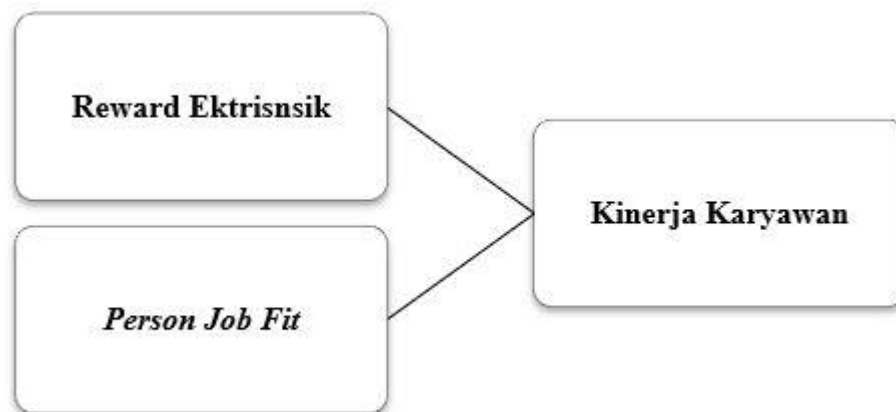
H₁ : Reward extrinsic impact significantly on the performance of employees of companies mining

Job-Fit Person Of Performance

Research which conducted Subramaniam & Jasmin (2017) with the title " *Competencies, Organizational Citizenship Behavior, Person-Job Fit and Job Performance: Evidence from the Narcotics Control Bureau* " reveals that the person-job fit affect significantly to the performance . Besides that , research that is conducted June & Mahmood (2011) with the title " *The relationship between role ambiguity, competency and person-job fit with the job performance of employees in the service sector SMEs in Malaysia* " also revealed that the person job-fit effect significant on performance . Based on the research background behind and research earlier that there is , amak can be arranged hypothesis as follows :

H₂ : *Person Job Fit* has a significant effect on the performance of mining company employees

Conceptual Framework



3. Research Methods

The research is classified in the study of quantitative because the research is conducted testing of hypotheses that have been put forward previously. The population in this study were employees of all departments of the mining company as many as 10 0 people. The samples were used in research this is the whole employees of the Company mines. Mechanical taking samples of the research is to use sampling saturated is the technique of determining the sample when all members of the population used as a sample. This study uses primary data with data collection techniques based on questionnaires and documentation. The research questionnaire was equipped with a Likert scale with an odd range of answers. Data analysis techniques in quantitative research using statistical techniques with the help of the IBM SPSS *Statistics version 2 0* . Methods of analysis of the data in the study is using a Regression Linear Regression . The test of linear multiple that is :

$$Y = a + b_1X_1 + b_2X_2$$

Description :

Y = variable dependent (Performance Employees)

a = constant value

b₁b₂ = Regression coefficient value i

4. Results and Discussion

Test Validity and Reliability

Extrinsic Reward Correlations

		Payment	Bonus	Alimony	TOTAL
Payment	Pearson Correlation	1	-.042	.202 *	.516 **
	Sig. (2-tailed)		.680	.444	.000
	N	100	100	100	100
Bonus	Pearson Correlation	-.042	1	.228 *	.624 **
	Sig. (2-tailed)	.680		.22	.000
	N	100	100	100	100
Alimony	Pearson Correlation	.202 *	.228 *	1	.792 **
	Sig. (2-tailed)	.444	.22		.000
	N	100	100	100	100
TOTAL	Pearson Correlation	.516 **	.624 **	.792 **	1
	Sig. (2-tailed)	.000	.000	.000	
	N	100	100	100	100

* Correlation is significant at the 0.05 level (2-tailed).

** . Correlation is significant at the 0.01 level (2-tailed).

Reliability Statistics

Cronbach's Alpha	N of Items
.740	4

Item Statistics

	The mean	Std. Deviation	N
Payment	4,8400	.36845	100
Bonus	4,7700	.44620	100
Alimony	4,4900	.52214	100
TOTAL	14,1000	88192	100

Job Fit Person

Correlations

		Value	Conformity	Fulfillment	Culture_conformity	TOTAL
Value	Pearson Correlation	1	109	-.088	-,021	.335 **
	Sig. (2-tailed)		.281	.381	.837	.001
	N	100	100	100	100	100
Conformity	Pearson Correlation	109	1	.25 *	.323 **	.693 **
	Sig. (2-tailed)	.281		.024	.001	.000
	N	100	100	100	100	100
Fulfillment	Pearson Correlation	-.088	.25 *	1	.261 **	.665 **
	Sig. (2-tailed)	.381	.024		.009	.000
	N	100	100	100	100	100

Culture_conformity	Pearson Correlation	-,021	.323 **	.261 **	1	.662 **
	Sig. (2-tailed)	.837	.001	.009		.000
	N	100	100	100	100	100
TOTAL	Pearson Correlation	.335 **	.693 **	.665 **	.662 **	1
	Sig. (2-tailed)	.001	.000	.000	.000	
	N	100	100	100	100	100

Reliability Statistics

Cronbach's Alpha	N of Items
.719	5

Item Statistics

	The mean	Std. Deviation	N
Value	4,5200	.54086	100
Conformity	4.6000	.65134	100
Fulfillment	4,3600	.78522	100
Culture_conformity	4,3600	.64385	100
TOTAL	17,8400	1.58095	100

The performance

Correlations

		Quality	Quantity	Punctuality	Effectiveness	TOTAL
Quality	Pearson Correlation	1	-.134	.952 **	-.134	.626 **
	Sig. (2-tailed)		.183	.000	.185	.000
	N	100	100	100	100	100
Quantity	Pearson Correlation	-.134	1	-.162	.793 **	.621 **
	Sig. (2-tailed)	.183		.108	.000	.000
	N	100	100	100	100	100
Punctuality	Pearson Correlation	.952 **	-.162	1	-.073	.641 **
	Sig. (2-tailed)	.000	.108		.469	.000
	N	100	100	100	100	100
Effectiveness	Pearson Correlation	-.134	.793 **	-.073	1	.656 **
	Sig. (2-tailed)	.185	.000	.469		.000
	N	100	100	100	100	100
TOTAL	Pearson Correlation	.626 **	.621 **	.641 **	.656 **	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	100	100	100	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

Reliability Statistics

Cronbach's Alpha	N of Items
------------------	------------

.744	5
------	---

Item Statistics

	The mean	Std. Deviation	N
Quality	4.4000	.60302	100
Quantity	4,3600	.67450	100
Punctuality	4,3600	.64385	100
Effectiveness	4.3100	.67712	100
TOTAL	17,3003	1.65300	100

The correlation coefficient for all variables shows above 0.3 for the extrinsic reward variable (X1) that is 0.516, 0.624 and 0.792, the *person job fit* variable (X2) is 0.335, 0.693, 0.665, 0.662. And for the performance variable (Y) is 0.626, 0.621, 0.641, 0.656. So it can be said that the research instrument is valid. Realibilat test results showed Cronbach's Alpha > 0.60. For variable reward extrinsic (X1) Cronbach's Alpha of 0,740, variable *person job fit* (X2) of 0.719, and for the variable performance (Y) is at 0.744. So the item can be said to be reliable.

Test F and n test t

ANOVA^a

Model		Sum of Squares	D f	Mean Square	F	Sig.
1	Regression	31,838	2	15,919	6,470	.002 ^b
	Residual	238,672	97	2,461		
	Total	270,510	99			

a. Dependent Variable: Performance

b. Predictors: (Constant), Person Job Fit, Extrinsic Reward

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	6,146	3,389		7,715	.000
Extrinsic Reward	-.158	.182	-.84	-870	.386
Job Fit Person	-.364	.101	-.348	-3,589	.001

a. Dependent Variable: Performance

Reward extrinsic results of t test reward extrinsic show $t = -870$ to sig. 0.386 then H_1 is rejected because sig. $0.386 > 0.050$. As for the *person job fit*, it shows a t calculation of 3,589 with sig. 0.001 then H_2 is accepted because of the result of sig. $0.001 < 0.050$

Regression on ANOVA showed results of 6.470 with significantly 0,002. = 0.50, the result H_3 is accepted because it is significant $0.002 < 0.050$.

5. Conclusions and Recommendations

Conclusion

Reward extrinsic not affect significantly to the performance of the employee because the reward Intrinsic may need to be considered. While *person job fit* has a significant effect because the company has implemented the system, one of which is to improve performance and reduce employee turnover intention.

Suggestion

Companies should maintain the system in awarding bonuses and benefits to employees . Companies can give awards not only in the form of financial but also non- financial . Companies should pay attention to the needs and suitability will work when recruiting employees in order to create satisfaction of work and commitment to the job . The company is expected to provide training to employees in accordance with their work .

References

- Gohari , Payam; Ahmadloo , Akram ; Boroujeni , Majid Bakhtiari; Hosseinipour , Seyed Jafar . 2013. "The Relationship Between Rewards and Employee Performance". Institute of Interdisciplinary Business Research, Vol.5.No.3.
- Edirisooriya , Waruni Ayesha. 2014. "Impact of Rewards on Employee Performance: With Special Reference to ElectriCo ". ICME, Proceedings of the 3rd International Conference on Management and Finance, University of Ruhuna, Sri Lanka.
- Rizky Ramadhan Syahril ; Nurbiyati Point . " The Effect of Extrinsic and Intrinsic Reward on Performance with Job Satisfaction as Intervening Variables ". Management of the Faculty of Economics UII, Yogyakarta. Vol.3. Number 1.
- Cahyono , EB2015. *Influence of the Environment Work To Performance Employees In Industry Small Craft Batik Sido Mukti Village Sido Mukti District of Plaosan Regency Magetan . Journal of Economics and Education. Vol 3, No. (2), Ikip PGRI Madiun Economic Education .*
- Robbins, Stephen P. 2003. *Organizational Behavior* , Volume 2, PT. Gramedia Group Index , Jakarta.
- DM Cable, DeRue DS. 2002. The convergent and discriminant validity of subjective fit perceptions. *J. Appl. Psychol.* , Vol.87 No.5: 875-884.
- June, Sethela & Rosli Mahmood. 2011. The Relationship Between Person-Job Fit and Job Performance: A Study Among the Employees of the Service Sector Smes in Malaysia. *International Journal of Business, Humanities and Technology*, Vol.1 No.2.
- Nugroho, Bambang (2006), *Reward and Punish- ment* , Bulletin of Cipta Karya , Ministry of Public Works .
- Koencoro Galih Dwi , Mochammad AL Musadieq , and Heru Susilo (2014), " Effects of Reward and Punishment Against Performance ", Thesis S1 Universitas Brawijaya . Hal, 1.
- Allen, RS, & Kilmann, RH (2001), "The Role of the Reward System for a Total Quality Management Based Strategy", *Journal of Organizational Change Management* , 14 (2), 110-127.
- Aisyah , Mimin Nur (2006), " Strategy and Performance in the Compensation System " , *Journal of Indonesian Accounting Education* , Vol.5, No.2.
- Byars and Rue (2000), *Human Resource Management : A Practical Approach* , New York: Harcourt Brace
- Edirisooriya , Waruni Ayesha (2014) , " Impact of Rewards on Employee Performance: With Special Reference to ElectriCo " , ICME , *Proceedings of the 3rd International Conference on Management and Econom-ics* , Faculty of Management and Finance, University of Ruhuna, Sri Lanka , Page 13
- Mathis, Robert L and Jhon H. Jackson. (2011). *Management Resources Power Man . Book II*, Translator : Jimmy Sadeli and Bayu Prawira Hie, Jakarta: Salemba Empat .

Hariandja Mariot Old Efendi (2009), Management Resources Power Man (Acquisition , Development , Pengkompensasian and Increased Productivity Employees), Jakarta: Grasindo .

Hasibuan , Malayu S. P (2011). Management Resources Power Man , Jakarta: PT. Earth Literacy .

June, S., & Mahmood, R. (2011). The relationship between role ambiguity, competency and person-job fit with the job performance of employees in the service sector of SMEs in Malaysia. *Business Management Dynamics* , 1 (2), 79.

Mangkunegara , AA. Anwar Prabu, (2010). HR Performance Evaluation , Second Printing , Bandung: PT Refika Aditama .

Robbins, Stephen P., 2006. **Organizational Behavior , PT Index** , Gramedia Group , Jakarta.

Subramaniam, A., & Jasmin, NNH (2017) Competencies, Organizational Citizenship Behavior, Person-Job Fit and Job Performance: Evidence from the Narcotics Control Bureau.