

## THE EFFECT OF REWARDS AND ORGANIZATIONAL CLIMATE ON THE PERFORMANCE OF PT TASMA PUJA KAMPAR EMPLOYEES

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### Abstract

This research was conducted to determine the effect of rewards and organizational climate on the performance of employees of PT Tasma Puja Kampar. The population in this study were employees at PT Tasma Puja Kampar, amounting to 110 people. The sample uses the slovin formula with the limit used is 5% so that the research sample is 87 employees. The data collection technique that the author uses is a questionnaire. Furthermore, the authors analyze the data using analytical and quantitative methods, the results of the study will be analyzed using multiple linear regression using the SPSS version 20.00 computer program. Based on the results of the study, it can be seen that awards and organizational climate have a significant effect on employee performance at PT Tasma Puja Kampar, with a positive regression coefficient, meaning that if rewards increase and organizational climate increases, performance will increase. Based on the calculation results show the value of R<sup>2</sup> (coefficient of determination) or Adjusted R Square of 0.536 or 53.6%. This means that the independent variables, namely rewards and organizational climate, have a contribution of 53.6% to the dependent variable, namely performance. while the remaining 46.4% can be used by other researchers for the perfection of this study.

**Keywords :** Employee Performance, Organizational Climate, Reward.

### 1. INTRODUCTION

The palm oil industry is one of the strategic industries because it is related to the agricultural sector which is developing in tropical countries such as Indonesia. The results of the palm oil industry are not only cooking oil, but can also be used as basic ingredients for other industries such as the food, cosmetics and soap industries. The processing of the palm oil industry in Indonesia is carried out by the people and large companies, both government and private companies. In its management, each company has its own way of increasing palm oil production. One way of managing to increase the production of palm oil in the company is of course related to employee performance.

Management plays an important role because management is the science and art of regulating the process of utilizing human resources and other resources effectively and efficiently to achieve certain goals and expectations set by the company (Hasibuan, 2012: 2). The success of every company will greatly depend on effective and efficient management, managers are responsible for developing strategies and tactical plans as well as analyzing the competitive environment and carrying out management functions such as planning, organizing, directing, and supervising every day-to-day operational activities for achieve certain goals. Human resource management is a strategic area of the organization. Human resource management should be viewed as an extension of the traditional view of managing people effectively and for that requires knowledge of human behavior and the ability to manage it.

Human resource management is a strategic area of the organization. Human resource management should be viewed as an extension of the traditional view of managing people effectively and for that requires knowledge of human behavior and the ability to manage it. Furthermore, human resource management can also be defined as a management and

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utilization that is maximally developed in the world of work to achieve organizational goals and individual employee development. Agree with Sutrisno , (2014: 5) human resource management is the utilization, development, assessment, provision of remuneration, and management of individual members of the organization or group of workers.

Performance is the implementation of the plans that have been prepared. Performance implementation is carried out by human resources who have competence, motivation and interests. Organizational performance is also shown by how the process of carrying out activities to achieve these goals. In the process of implementing activities, monitoring, assessment and review or review of the performance of human resources must always be carried out (Wibowo, 2012:4). Employees are the main wealth in a company, according to Hasibuan, (2012: 3), employees are service sellers (mind or energy) and get compensation whose amount has been determined beforehand. Performance is a real behavior displayed by everyone as work performance produced by employees in accordance with their role in the company. Employee performance is a very important thing in the company's efforts to achieve its goals.

Wilson Bangun, (2012:229) states that employee performance is a combination of abilities, efforts and opportunities that can be assessed from the results of their work. This understanding implies that performance is a combination of one's abilities, efforts and opportunities that can be seen or known from the results of their work. Effort is a person's behavior in order to achieve goals. Someone who has good behavior will definitely try his best to carry out his duties and responsibilities in accordance with the rules that have been set. PT Tasma Puja Kampar Kampar Regency is a company engaged in the processing of palm fruit bunches (FFB) to produce *Crude Palm Oil* (CPO) in Riau Province. Currently, PT Tasma Puja Kampar, Kampar Regency has a total of 110 employees consisting of several sections. These employees of PT Tasma Puja Kampar, Kampar Regency, who play an active role in work activities at the PT Tasma Puja Kampar factory. The results of employee performance appraisal data of PT Tasma Puja Kampar in recent years show that their performance has not been maximized. The following is the form of employee performance appraisal which is assessed from the quality of the employee's work which is assessed using a scale, namely:

Table 1.1 Data on Performance Assessment based on the Quality of Employees of PT Tasma Puja Kampar in 2017-2021

Year	Number of employees	Criteria/Score/Employee				Dominance of Performance Criteria
		Very good	Well	Pretty good	Bad	
2017	110	12	57	35	6	Well
2018	110	10	59	33	8	Well
2019	110	13	28	60	9	Enough
2020	110	8	30	61	11	Enough
2021	110	7	32	58	13	Enough

Source: PT. Tasma Puja Kampar, Data 2017-2021

Table 1.1 shows the level of employee performance has decreased. Where in 2019 to 2021, which shows that the dominance of employee work has decreased, it is in the fairly good category and the increasing number of employees who work far below the targeted standard, namely the bad criteria. Employees tend to be lazy during working hours, resulting in delays in completing work as targeted in numbers, for example the number of fruit sorting per day. Employee attendance is also quite high every year, so that every month when employees are not present there is a buildup of FFB that cannot be processed because they have not been sorted. In terms of employee cooperation ability is also relatively low, this can be seen from the presence of employees who tend to use longer resting hours when working in a team.

The problem of performance results from the data and pre-surveys that have been carried out is certainly related to factors that influence it, such as organizational climate. Organizational climate has an important role in improving employee performance. Organizational climate can be interpreted as an atmosphere or condition in a cooperative group between people who are members of it to achieve common goals. Robert Stringer (in Wirawan, 2012:132) says that the organizational climate as a collection and environmental patterns that determine the emergence of motivation and focuses on perceptions that make sense or can be assessed, so that it has a direct influence on the performance of organizational members. If each organization has its own culture, traditions and methods that overall create its climate, it will be found that there are organizations that are effective, and some that are not. There are organizations that are quite humane, while others are authoritarian, weak and loose, undisciplined. So climate can be somewhere on a continuum moving from pleasant to neutral to unpleasant. However, both management and employees basically want a conducive and pleasant climate. Climate can also affect morale, achievement and job satisfaction. Climate shapes employees' expectations about the consequences of actions. Employees expect rewards, satisfaction, or even frustration on the basis of their perception of the organizational climate (Wirawan, 2012: 133).

Besides organizational climate, performance can be influenced by *rewards*. Like a good award, it will encourage employees to be happy to come to work hard for the company. The form of the award can be in the form of basic salary/basic wage, variable salary, incentives/stimulus, merit fee (bonus), career/promotion opportunities, vacation, pension. The employee reward system is a mechanism or method used by the organization in responding to the performance of its members. Each organization may vary in the application of recognition for the achievements of its members. Rewards must be able to motivate employees to be able to work better, be more enthusiastic and be more high-performing. Rewards that do not motivate employees to work better mean that rewards lose their basic essence. Some phenomena regarding awards can be seen in the following table:

**Table 1.2. Awards for Employees at PT Tasma Puja Kampar 2021**

No	Award Type	Status (Yes)	Information
Financial rewards:			
1	1. Salary	√	1. Executed on time

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No	Award Type	Status (Yes)	Information
	2. Bonus/incentive	√	2. There are with some conditions
	3. Social security	√	3. There
	a. Retirement program	√	- There are some conditions
	b. Health Insurance	√	- There is a direct pay cut
	c. Holiday	-	- There isn't any
	Interpersonal Award		
2	1. Confession	√	1. There is a time to achieve
	2. Recognition	√	2. There
3	Job promotion	√	1. There is a condition of working period of 4-5 years (achievement)

Source: PT Tasma Puja Kampar, 2021

Based on the data in table 1.2, it is known that awards related to financial awards have several conditions that must be met by employees in obtaining incentives, retirement and the absence of holidays both during weddings and holidays. While the promotion award which is classified as difficult to get on condition that 4-5 years of work with achievements is difficult for employees to obtain. This condition is thought to also have an impact on contributing to employee performance.

## **THEORETICAL REVIEW**

### **Reward**

According to Wibowo (2013: 361), an award *is* something given by an organization to its members as a form of appreciating the work they have done in the form of financial or non-financial. The reward indicators are (1) financial rewards, (2) interpersonal awards, and (3) promotions.

### **Organizational Climate**

According to Hendayat (2014: 145), Organizational Climate is a form of work environment interaction that occurs between leaders and employees who influence each other on organizational policies. The organizational climate indicators are (1) *open climate* (openness), (2) *familiar climate* (intimacy or fellowship), (3) *autonomous and partner climate* (freedom and friendship).

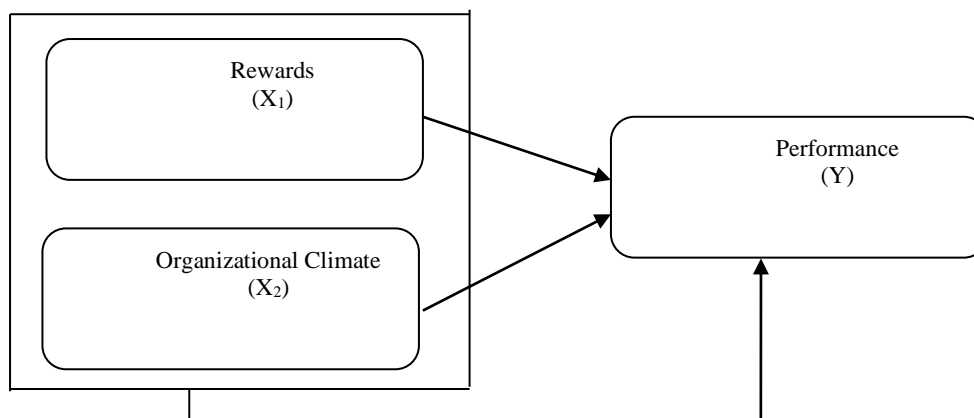
## Performance

According to Wilson Bangun (2012: 231), performance is the result of work achieved by a person based on job requirements that match the content of work standards such as quantity, quality, timeliness of doing it, attendance and ability to work together that is required by a job. The performance indicators are (1) number of jobs, (2) quality of work, (3) punctuality, (4) attendance, (5) ability to work together.

## Framework

The framework of thought in this study using the following:

**Figure 1. Thinking Framework Model**



Source: Sudarmanto (2014:33)

## Research Hypothesis

Based on the background of the problem, the formulation and the company that has been described, the authors put forward the hypothesis, namely:

- H1 : It is suspected that the award affects the performance of employees of PT Tasma Puja Kampar
- H2 : It is suspected that the organizational climate affects the performance of employees of PT Tasma Puja Kampar
- H3 : It is suspected that awards and organizational climate affect the performance of PT Tasma Puja Kampar employees

## 2. IMPLEMENTATION METHOD

The research variables consist of three variables. The first variable is the independent variable, namely organizational climate, the second variable is awards. The third variable is the dependent variable, namely performance. The research sample is as many as 87 employees from the total number of employees of PT Tasma Puja Kampar, namely 110



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people. The sampling technique used is simple random sampling, which is sampling randomly so that each element in the population has an equal opportunity to be selected as a subject in the sample so that the proportionate Stratified random sampling method is a random sampling technique by taking into account the existing strata in the population and comparisons. the number of members between strata. The analysis technique uses descriptive statistics, namely statistical methods used to collect, summarize, present and describe data so that they can provide useful information. Descriptive statistics in this study are used to determine the statement items in each variable after being averaged or presented.

### **3. RESULTS AND DISCUSSION**

The test statistic used to determine the simultaneous or joint effect of organizational climate variables and rewards on employee performance is the F test. Based on the analysis, the calculated F value is = 50,625. This value is then compared with  $F_{table} = 2.71$  with a significance level of 0.000 because the significance probability is much smaller than  $sig < 0.05$ . Based on the criteria for testing the hypothesis because  $F_{count} > F_{List}$ ,  $H_0$  is rejected, so the research hypothesis that there is a simultaneous effect of organizational climate and rewards on the performance of PT Tasma Puja Kampar employees is accepted.

Furthermore, to find out the influence partially or individually, rewards and organizational climate variables on employee performance can be stated based on the following dimensions:

#### **3.1 Effect of Rewards on Employee Performance of PT Tasma Puja Kampar**

Recapitulation of the award variable ( $X_1$ ) is known that the highest score on the interpersonal award indicator with an average value of 3.42 is in the good category. The award is in the form of respect, mutual assistance, recognition of work performance and improvement of employee competence. The lowest average was 3.27 with a good category on the financial award indicator.

Financial awards are in the low category because PT Tasma Puja Kampar has not fully provided a sense of employee satisfaction in providing work overtime incentives which are still relatively small, and the lack of job training provided by the company in supporting satisfactory work effectiveness so that it will have an impact on increasing the value of incentives provided by the company. will be given

The results of this study note that the t test obtained t arithmetic is greater than t table  $4,595 > 2,000$  with a significance ( $0.000 < 0.05$ ) so it can be said that the award variable has a significant effect on employee performance.

The reward system felt by employees such as interpersonal rewards through the form of mutual respect, mutual assistance between employees and recognition of work performance has a significant impact on improving employee performance. As the award triggers a sense of enthusiasm at work so that it has a positive influence on performance.

This result is in line with the research results of Novita (2021) which states that reward has a positive effect on employee performance. This means that the positive value shows that the better the reward given to employees, the higher the employee's performance

The previous research has shown that it is true that there is a significant influence between rewards on employee performance, when employees are getting better in their perceptions of rewards, the better their performance will be, but on the contrary if employees show low perceptions of rewards or less in accordance with expectations, it will affect the performance of employees. to a decrease in employee performance, such as work that has not been completed properly.

Based on the results of previous studies and the results of this research, it shows that the integration between awards given both from the company and the work team or other colleagues in carrying out their work will certainly have an impact and effect on whether or not the performance of an employee in the company is getting better.

### **3.2 Influence of Organizational Climate on Employee Performance of PT Tasma Puja Kampar**

The recapitulation of the organizational climate variable ( $X_2$ ) is known that the highest score on the peer indicator with an average value of 3.56 is in the good category. The climate in the form of teamwork in the form of a leadership attitude that believes in employees in carrying out their work triggers a workspace condition that cares for each other to achieve achievement. The lowest average is 3.27 with a poor category on the openness indicator

The climate of openness is in the low answer due to the indifferent attitude of fellow employees who are competing for individual achievements resulting in a lack of a harmonious atmosphere in working as a team or in one field. . Solutions that can be implemented in dealing with this, the company can form a work team to be able to coordinate with each other against difficulties or obstacles in completing the given work.

Based on the results of the t test in the study, it was obtained that t arithmetic was greater than t table  $5.045 > 2,000$  with a significance ( $0.000 < 0.05$ ) so it can be said that organizational climate variables have a significant effect on employee performance.

The results of this study indicate that the organizational climate that occurs such as the existence of mutual openness of employees at work, the trust given by the leadership to employees to carry out work and the existence of creative opportunities for each employee by being given the freedom to complete the work gives a better influence on the performance of employees at PT. Tasma Puja Kampar.

So far, the organizational climate at PT Tasma Puja Kampar is in the form of a relationship between employees and leaders, giving full trust to colleagues or employees to always carry out work together. The trust given by the leadership to employees will trigger a high sense of enthusiasm in employees to always be able to complete work by trying not to disappoint the trust given. This condition results in a maximum effect on employee performance.

These results are in line with research by Graciela Virginia (2021) which states in the results of her research that the high and low performance of an employee can be influenced by the organizational climate, the results of this study indicate that the organizational climate has a positive influence on employee performance.

### 3.3 Effect of Reward and Organizational Climate Simultaneously on Employee Performance of PT Tasma Puja Kampar

Based on the F test test which is greater than the F table value of  $50.625 > 2.71$  this result shows that appreciation and organizational climate have a significant effect on the performance of PT Tasma Puja Kampar employees. In addition, the results of the coefficient of determination (Adjust R *Square* ) show that the effect of rewards and organizational climate on performance is 53.6% and the remaining 46.4% is influenced by other factors that have not been studied, which causes employee performance to still show not maximum 100%.

The performance of PT Tasma Puja Kampar's employees is seen in terms of attendance which affects performance, as well as that, the perceived conditions of appreciation are maximized and the climate of mutual trust in carrying out work has a positive impact on influencing better performance.

This result is in line with the results of Angie's research (2020) which states that two variables of organizational climate and rewards together have an influence on employee performance. As when there is a conducive climate in the organization and rewards that match the expectations of employees, it has a positive influence on employee performance.

## CLOSING

### Conclusion

Based on the results of the research that has been done, it can be concluded:

1. Awards have a significant effect on the performance of employees at PT Tasma Puja Kampar, with a positive regression coefficient, meaning that if the rewards are interpersonal such as mutual respect, mutual care, mutual assistance, and good recognition, employee performance will increase well.
2. Organizational climate has a significant effect on employee performance at PT Tasma Puja Kampar, with the regression coefficient being positive, meaning that if the organizational climate in the form of peerhood or trust given by the leadership to employees increases well then employee performance will also increase well.
3. Awards and organizational climate have a significant effect on employee performance at PT Tasma Puja Kampar, with a positive regression coefficient meaning that if rewards and organizational climate increase, employee performance increases.
4. Based on this study, the independent variables, namely rewards and organizational climate, contributed 53.6% to the dependent variable, namely performance. while the remaining 46.4% can be used by other researchers for the perfection of this research

### Suggestion

1. It is expected that the leadership of the company can evaluate the policy regarding the provision of "rewards" or awards, both in the form of bonuses and incentives or direct prizes, not only limited to groups of outstanding employees, but also given to individual employees who achieve the targets set by the company.
2. In order to improve the conditions of a good organizational climate with a system of openness to the work they carry out, the company leadership must be able to provide efforts to increase employee capabilities by providing and making appropriate training



plans in accordance with the demands of the duties and responsibilities of employees, so that employees will be able to more freely mastering the characteristics of each job, especially in terms of production

3. During the orientation period for new employees, it is recommended to the company leadership, especially the manager or mill head manager or the head of the supervisor to be given various knowledge related to the company's vision and mission, including trainings whose materials are adjusted to the demands of the tasks and responsibilities that will be carried out. in his cradle.

## AUTHOR'S CONTRIBUTION

The authors, Sahlan, Okta Dwi N, and Amos, contributed equally to this work in providing literature review, research method, data processing, result and discussion, conclusion, and commented on the manuscript at all stages

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