

**THE EFFECTS OF REWARD, COMPETENCY ON EMPLOYEE  
PERFORMANCE WITH JOB SATISFACTION AS A  
MEDIATING VARIABLE  
(Case Study of Employees'' at PT XYZ)  
THESIS**



Name : Anissa Rahmani Putri  
SIN : 43120010094

**UNIVERSITAS  
MERCU BUANA**

**DEPARTMENT OF MANAGEMENT  
FACULTY OF ECONOMICS AND BUSINESS  
UNIVERSITAS MERCU BUANA JAKARTA**

**2024**

**THE EFFECTS OF REWARD, COMPETENCY ON  
EMPLOYEE PERFORMANCE WITH JOB SATISFACTION  
AS A MEDIATING VARIABLE  
(Case Study of Employees' at PT XYZ)**

Thesis Submitted to Fulfill One of the Requirements for Obtaining Bachelor's Degree in Economics at The Faculty of Economics and Business, Management Undergraduate Program, Universitas Mercu Buana, Jakarta.



Name : Anissa Rahmani Putri  
SIN : 43120010094

MANAGEMENT UNDERGRADUATE PROGRAM  
FACULTY OF ECONOMICS AND BUSINESS  
UNIVERSITAS MERCU BUANA  
JAKARTA  
2024

## THESIS APPROVAL SHEET

Name : Anissa Rahmani Putri  
Student ID Number : 43120010094  
Study Program : S1 Management International Class  
Thesis Title : THE EFFECTS OF REWARD, COMPETENCY ON EMPLOYEE PERFORMANCE WITH JOB SATISFACTION AS A MEDIATING VARIABLE (Case Study of Employees' at PT XYZ)  
Thesis Defense Date : June 28, 2024

Authorized by:

Supervisor



Singmin Johannes Lo

Dean of Faculty of Economics and Business      Head of Study Program S1 Management



Dr. Nurul Hidayah, M.Si., Ak., CA



Dudi Permana, Ph.D

LPTA 04243999



Please Scan QRCode to [Verify](#)

## STATEMENT OF OWN WORK

The undersigned below:

Name : Anissa Rahmani Putri

SIN : 43120010094

Study Program: Bachelor Degree in Management

Stating that this final project is the original work, not a plagiarism or duplicate of the work of others. If it turns out that my statement is not true, then I am willing to be penalized for the cancellation of this thesis if it is proven that I have committed plagiarism.

Jakarta, 27 May 2024

UNIVERSI  
MERCU BUANA



Anissa Rahmani Putri

SIN. 43120010094

## ABSTRACT

This study aims to analyze the influence of rewards and competency on employee performance through job satisfaction as an intervening variable. The population in this study were 50 permanent employees' of PT XYZ. The sampling method used a non-probability sampling technique and saturated sampling. A questionnaire was distributed to 50 employees' PT XYZ, with the rate of return 154% or 77 respondents. Methods of data collection using survey methods, with the research instrument of a questionnaire. The data analysis used is descriptive analysis by analyzing the data through the Partial Least Square (PLS) application with the SmartPLS 3.0 program. The results of this study indicate that in PT XYZ: (1) Reward has a significant and positive influence on Job Satisfaction, (2) Competency has a positive and significant influence on Job Satisfaction, (3) Job Satisfaction has a positive and insignificant influence on Employee Performance, (4) Reward has a negative and insignificant influence on Employee Performance, (5) Competency has positive and significant influence on Employee Performance, (6) Job Satisfaction cannot mediate the influence of Reward on Employee Performance, (7) Job Satisfaction cannot mediate the influence of Competency on Employee Performance

Keywords: PT XYZ, Reward, Competency, Employee Performance, Job Satisfaction



UNIVERSITAS  
MERCU BUANA

## PREFACE

Alhamdulillahirobbil'alamin, Praise is merely to the Almighty Allah SWT for the gracious and mercy blessing that enables me to accomplish this thesis proposal entitled **“The Effects of Reward and Competency on Employee Performance with Job Satisfaction as a mediating variable at PT XYZ.”** This thesis proposal is proposed to fulfill one of the requirements to achieve Bachelor’s Degree at the Faculty of Economic and Business, International Management Program Universitas Mercu Buana.

The author realized as a human being in this report could not be separated from mistakes and deficiencies due to lack of knowledge and experience. The process of writing this report could not be separated from guidance, and meaningful supports from many individuals, especially Dr. Singmin Johanes Lo, MSOD as my Research Method Lecturer and a my thesis supervisor who has given me advice, time, guidance, encouragement, knowledge that is very valuable to the author. In this opportunity, the author would like to thanks all many individuals who helped in the process of writing this thesis proposal successful, mainly to:

1. The author beloved parents and sibling. Thank you so much for you prays, affection, advice, guidance, moral, and material support that relentless given to the author, and also to encourage and provide plenty of inspiration in the process of writing this thesis proposal and help in all my life, your love is beyond any words.

2. Prof. Dr. Andi Adriansyah, M. Eng., as the Rector of Universitas Mercu Buana.
3. Dr. Nurul Hidayah, M.Si, Ak., as the Dean of Faculty of Economic and Business of Universitas Mercu Buana.
4. Dudi Permana, MM, Ph.D., as the Head of Management Study Program of Universitas Mercu Buana.
5. Ali Hanafiah, SE, MM, DBA., as the secretary of management study program international class.
6. Dr. Singmin Johanes Lo, MSOD., as my Thesis Supervisor.
7. The entire Lecturers and Staff in International Undergraduate Program Universitas Mercu Buana that have shared all the knowledge and cooperation.
8. Damarjati Kusumo, thank you for always being ready to provide support in any form sincerely in helping the author complete this thesis proposal.
9. All my friends Bebi, Ikhsan, Agung, Fiony, Andrae, Devi, Berlyanna, Esco and Valent who always support, helping, and always here for author when the author need their advice in writing this thesis proposal.

The author realize in this thesis proposal is far from being perfect, but it is expected that this thesis proposal will be useful not only for the researcher, but also to the readers. For this reason, constructive thoughtful suggestions and critics are welcome to make this report better.

Finally, with all sincerity the author would like to apologize if there are mistakes and flaws in this thesis proposal, might Allah SWT receive all their works and kindness. Aamiin ya robbalal'aamiin.

Jakarta, 27 May 2024



Anissa Rahmani Putri





## TABLE OF CONTENTS

<b>COVER PAGE</b> .....	<b>i</b>
<b>TITLE PAGE</b> .....	<b>ii</b>
<b>THESIS APPROVAL SHEET</b> .....	<b>iii</b>
<b>STATEMENT OF OWN WORK</b> .....	<b>iv</b>
<b>ABSTRACT</b> .....	<b>v</b>
<b>PREFACE</b> .....	<b>vi</b>
<b>TABLE OF CONTENTS</b> .....	<b>ix</b>
<b>LIST OF TABLES</b> .....	<b>xii</b>
<b>LIST OF FIGURES</b> .....	<b>xiii</b>
<b>ATTACHMENT LIST</b> .....	<b>xiv</b>
<b>CHAPTER I INTRODUCTION</b> .....	<b>1</b>
<b>A. Background</b> .....	<b>1</b>
<b>B. Research Problems</b> .....	<b>7</b>
<b>C. Research Objectives</b> .....	<b>7</b>
<b>D. Research Contributions</b> .....	<b>8</b>
1. Theoretical Contribution.....	<b>8</b>
2. Practical Contribution .....	<b>8</b>
<b>CHAPTER II LITERATURE REVIEW AND DEVELOPMENT</b>	
<b>HYPOTHESIS</b> .....	<b>9</b>
<b>A. Literature Review</b> .....	<b>9</b>
1. Human Resource Management .....	<b>9</b>
2. Employee Performance .....	<b>11</b>
3. Reward .....	<b>14</b>
4. Competency .....	<b>18</b>
5. Job Satisfaction .....	<b>25</b>
<b>B. Previous Research</b> .....	<b>30</b>
<b>C. Hypotesis Development</b> .....	<b>37</b>
1. Reward on Employee Performance.....	<b>37</b>
2. Reward on Job satisfaction.....	<b>37</b>

3. Competency on Employee Performance.....	38
4. Competency on Job satisfaction.....	38
5. Job Satisfaction on Employee Performance.....	39
6. The role of Job satisfaction as an Intervening Variable of Reward on Employee Performance.....	39
7. The role of Job satisfaction as an Intervening Variable of Competency on Employee Performance.....	40
<b>D. Conceptual Framework .....</b>	<b>40</b>
<b>CHAPTER III RESEARCH METHOD .....</b>	<b>42</b>
<b>A. Research Time and Place .....</b>	<b>42</b>
<b>B. Research Design .....</b>	<b>42</b>
<b>C. Variable Definition and Operationalization.....</b>	<b>42</b>
1. Variable Definition.....	43
2. Variable Operationalization .....	43
<b>D. Variable Measurement Scale.....</b>	<b>45</b>
<b>E. Population and Sample .....</b>	<b>46</b>
1. Population .....	46
2. Sample.....	46
<b>F. Data Collection Method .....</b>	<b>47</b>
<b>G. Data Analysis Method .....</b>	<b>47</b>
1. Descriptive Statistic Analysis .....	47
2. Descriptive Analysis .....	48
<b>BAB IV RESULT AND DISCUSSION .....</b>	<b>54</b>
<b>A. About Company.....</b>	<b>54</b>
1. Company History .....	54
2. Organizational Structure .....	55
<b>B. Descriptive Analysis .....</b>	<b>55</b>
1. Description of Respondents .....	55
2. Variables Description.....	57
<b>C. Partial Least Square Analysis .....</b>	<b>61</b>
1. Measurement Model Test Results (Outer Model).....	61

2. Structural Model Testing Result (Inner Model).....	68
<b>D. Research Discussion .....</b>	<b>77</b>
1. The influence of Reward on Employee Performance .....	77
2. The influence of Reward on Job Satisfaction .....	77
3. The Influence of Competency on Employee Performance ..	78
4. The influence of Competency on Job Satisfaction.....	79
5. The influence of Job Satisfaction on Employee Performance .....	79
6. The Role of Job Satisfaction as an Intervening Variable of Reward on Employee Performance.....	80
7. The Role of Job Satisfaction as an Intervening Variable of Competency on Employee Performance.....	81
<b>E. Managerial Implication .....</b>	<b>82</b>
<b>CHAPTER V CONCLUSSION AND RECOMMENDATION.....</b>	<b>83</b>
<b>A. Conclusion .....</b>	<b>83</b>
<b>B. Recommendation .....</b>	<b>84</b>
<b>BIBLIOGRAPHY .....</b>	<b>86</b>
<b>ATTACHMENT.....</b>	<b>92</b>



## LIST OF TABLES

<b>Tables</b>	<b>Title</b>	<b>Page</b>
Table 1.1.	Performance Target on TJ Unit PT XYZ	5
Table 3.1.	Operationalization Variable of Reward	42
Table 3.2.	Operationalization Variable of competency	43
Table 3.3.	Operationalization Variable of Job Satisfaction	43
Table 3.4.	Operationalization Variable of Employee Performance	44
Table 3.5.	Likert Scale	45
Table 4.1.	Total Respondents	54
Table 4.2.	Respondent's Gender	55
Table 4.3.	Respondents Based on Age	55
Table 4.4.	Respondents Based on Working Period	55
Table 4.5.	Respondents Based on Education Background	56
Table 4.6.	Descriptive Statistics of Reward	56
Table 4.7.	Descriptive Statistics of Competency	58
Table 4.8.	Descriptive Statistics of Job Satisfaction	58
Table 4.9.	Descriptive Statistics of Employee Performance	59
Table 4.10.	Loading Factor Value	62
Table 4.11.	Average Variance Extracted	64
Table 4.12.	Fornell-Larcker Criterion Test	65
Table 4.13.	Cross Loading Value	65
Table 4.14.	Cronbach's Alpha Test	67
Table 4.15.	Composite Reliability Test	68
Table 4.16.	Coefficient of Determination Test	68
Table 4.17.	Predictive Relevance Test ( $Q^2$ )	70
Table 4.18.	F-Square	71
Table 4.19.	Significance Test of Direct Effects	73
Table 4.20.	Significance Test of Indirect Effects	76

## LIST OF FIGURES

<b>Figures</b>	<b>Title</b>	<b>Page</b>
Figure 2.1.	Conceptual Framework	40
Figure 4.1.	Outer Model Design	61
Figure 4.2.	Initial Path Diagram	62
Figure 4.3.	Average Variance Extracted (AVE) Chart	64
Figure 4.4.	Cronbach's Alpha Chart	67
Figure 4.5.	Composite Reliability Chart	68
Figure 4.6.	R-Square Chart	69
Figure 4.7.	F-Square	72
Figure 4.8.	Bootstrapping	75



## ATTACHMENT LIST

<b>Attachment</b>	<b>Title</b>	<b>Page</b>
1	Letter of Assignment	93
2	Researcher Profil	94
3	Questionnaire	95
4	Questionnaire Results	101
5	PLS 3.0 Output	110

