



**SKRIPSI**

**THE IMPACT OF REWARD SYSTEM ON EMPLOYEE'S PERFORMANCE  
CASE OF ELANG PERKASA MOTOR  
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**By:**

**LISKA AFRIANTO KAMAR**  
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**MANAGEMENT DEPARTMENT OF ECONOMICS FACULTY**

**ANDALAS UNIVERSITY**

**Padang January 2011**



No. Alumni Universitas : **Liska Afrianto Kamar** No. Alumni Fakultas :

Tempat / Tanggal Lahir : Koto Manampung/ 16 April 1988 b) Nama Orang Tua : Kamaruddin dan Mardiana c) Fakultas : Ekonomi d) Jurusan : Manajemen e) No.BP : 06152013 f) Tanggal Lulus : 17 Januari 2011 g) Predikat Lulus : Sangat Memuaskan h) IPK : 3,18 i) Lama Studi : 4 tahun, 5 bulan j) Alamat Orang Tua : Koto Manampung Jor IV Garagahan Kec. L.Basung Kab. Agam

**THE IMPACT OF REWARD SYSTEM ON EMPLOYEE'S PERFORMANCE  
(Case Study: Suzuki Elang Perkasa Motor)**

*Skripsi S1 Oleh : Liska Afrianto Kamar  
Pembimbing : Dr. Rahmi Fahmy, SE, MBA*

**ABSTRACT**

As part of human resource, many employees perform not as what company expects to be happen. There should be a system that can motivate employees to increase their performance. Reward system can appear as a solution. This research investigates to what extend reward system affect employee's performance. Simple linear refression is used to see the relationship between the two variables. Then open ended question is used to support the result from questionnaire that distributed to population of Suzuki Elang Perkasa Motor with 51 respondents. Research finding shows that there is a significant impact of reward system to employee's performance with value of regression coefficient 0.801. Means that 80% performance of employee in this research is determined by reward system.

*Keyword: reward system, employee's performance.*

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Abstrak ini telah disetujui oleh pembimbing dan penguji :

Tanda Tangan	1	2	3
Nama Terang	Dr. Rahmi Fahmy, SE, MBA	Dr. Laura Syahrul, MBA	Dr. Harif Amali Rivai, SE, M.Si

Mengetahui,  
Ketua Jurusan Manajemen

Dr. Harif Amali Rivai, SE, M.Si  
Nip. 197102211997011001

Tanda Tangan

Alumnus telah mendaftar ke Fakultas / Universitas dan mendapat Nomor Alumnus :

		Petugas Fakultas / Universitas	
No. Alumni Fakultas	:	Nama	Tanda Tangan
No. Alumni Universitas	:	Nama	Tanda Tangan

## CHAPTER I

### INTRODUCTION

#### 1.1 Background of the Study

Human resources are the important element in every organization. The quality of human resources in the organization is needed to be concern and even developed, so that they can reach what the organization want from them. Simply, human resources help the organization to achieve the goal.

In many cases, the effectiveness of an organization is determined by their human resources. Indeed, managing human resources has become critical to the success of all companies, large and small, regardless of industry. The more effectively a firm manages its human resources, the more successful the firm is likely to be. Thus, employee attitudes are important because they are associated with vital human resource processes.

Human resource management can help the company reach organizational effectiveness and thereby have a determining effect on whether or not the company is good enough, fast enough, and competitive enough not only to survive but also to thrive (Schuler and Jackson, 2000) in (Costea, 2004). Further, Schuler said that, it would be difficult to imagine any organization achieving and sustaining effectiveness without efficient human resource management programs and activities.

Having a look at the condition of company in Indonesia include Padang, most of the owners are aware with the future of their business not only because of the unpredictable economic situation but also the existence of qualified human

resources that can support the development of their business. In reality, not all of the employees can perform as organization expects to do. They tend to react and perform not as what they are hired for. It means that most of employees within the organization or in a company are tend to be lazy. They don't want to innovate them self, they don't want to be creative, and even they just waste their time during the work time. These conditions for sure are not expected by the leader of organization or company to be happening. Although people or employee can't be treated in the same way, but at least for that reason there should be a rule and system within the organization or company that can motivate their employee in order to perform well.

Many research suggest that managers can influence the behavior of their employees (and thus the performance of the organization) by taking into account factors such as the formal and informal structure, the planning, reward, control and information systems, their skills and personalities, and the relation of these to the environment (Hansen and Wernerfelt, 1989).

There are so many theories that related to motivation. The best known one is explained by Abraham Maslow (1954) in (Robbins and Coulter, 2002). He argued that employees are can be motivated by satisfying their needs includes psychological needs, safety needs, social needs, esteem needs and self-actualization needs. Additionally, Robbins and Coulters (2002) also explained others motivation theory. They said that people will do better when they get feedback on how well they're progressing toward their goal because feedback help identify discrepancies between what they have done and what they want to do.

## CHAPTER VI

### CONCLUSION, LIMITATION, SUGGESTION

This chapter will explain about conclusion of research, limitation, suggestion, and implication for future research.

#### 6.1 Conclusion of the Research

This study examines the effect of reward system on employee performance. Analysis of data can be process with simple linear regression analysis using SPSS which this study respondent was employees at Suzuki Elang Perkasa Motor Padang.

1. Suzuki Elang Perkasa Motor have conducted reward system to it employees. To investigate the term of reward system conducted there, a questionnaire was distributed to the employee. The term of reward that had been being conducted are:

- a. Perquisite

There are two question in questionnaire related to perquisite. Mean for perquisite 1 is 3.14 where 2 respondents answered "very seldom", 3 respondents answered "seldom", 33 respondents answered "neutral", 12 respondents answered "often" and 1 respondent answered "very often" while mean for perquisite 2 is 3.06 where 1 respondent answered "very seldom", 6 respondents answered "seldom", 33 respondents answered "neutral" and 11 respondents answered "often" but no respondent answered very often for this question. So these two perquisites have mean 3.10.

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