

ENHANCING POLICE PERFORMANCE THROUGH REWARDS AND JOB SATISFACTION: EVIDENCE FROM BANJARNEGARA POLICE FORCE

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Abstract

This study aims to analyze the effect of reward on employee performance with job satisfaction as a mediating variable. A quantitative approach was employed, involving 165 active personnel of the Banjarnegara Police Department as respondents. Data were collected using a closed-ended questionnaire with a 5-point Likert scale and analyzed using Structural Equation Modeling–Partial Least Square (SEM–PLS). The results indicate that reward has a positive and significant effect on both job satisfaction and performance. In addition, job satisfaction has a significant effect on performance. The findings also reveal that job satisfaction significantly mediates the relationship between reward and performance. It can be concluded that rewards, whether directly or through increased job satisfaction, contribute to improving personnel performance.

Keywords: Reward, Job Satisfaction, Performance, Police

INTRODUCTION

In the current era of public sector accountability and performance-based management, human resource performance has become the main driver of institutional success. This is especially true for law enforcement agencies such as the national police, where maintaining consistent and optimal performance is crucial in strengthening public trust and ensuring the effective execution of duties.

In the Indonesian context, the Indonesian National Police (Polri) has established specific regulations to govern the performance management system. One of these is outlined in Police Regulation No. 2 of 2021 on the reward system, which aims to motivate personnel through recognition and compensation for good performance. However, fluctuations in personnel performance remain evident. For example, data from the Banjarnegara Police Department shows inconsistencies in reward distribution, with the number of reward recipients decreasing from 40 personnel in 2021 to just 17 in 2023, then slightly increasing to 23 in 2024. This pattern indicates broader challenges in maintaining performance consistency within the police institution.

Although the reward system is generally believed to improve performance outcomes, empirical findings in this area still show mixed results. Some studies report that rewards have a significant direct impact on employee performance and job satisfaction (e.g., Abbas et al., 2021; Martono et al., 2018), while others find that rewards only have an indirect effect through psychological mechanisms such as satisfaction or motivation (Alkandi et al., 2023; Nadiyya & Rini, 2023). In the public sector context, particularly within police institutions, this relationship has not been extensively studied.

Based on this research gap, this study aims to analyze the influence of rewards on employee performance with job satisfaction as a mediating variable among personnel at the Banjarnegara Police Department. Specifically, this study seeks to answer whether rewards directly improve performance or whether this influence occurs through increased job satisfaction.

This study contributes to the development of organizational behavior literature by empirically validating the mediating role of job satisfaction in the relationship between rewards and performance. Additionally, this study expands the application of motivation and reinforcement

theory in the context of law enforcement institutions, an area that has received limited attention in reward system studies. Practically, the findings of this study are expected to provide evidence-based recommendations for improving reward system design and personnel management strategies in public security institutions in Indonesia.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Equity Theory

Equity Theory, proposed by Adams (1965), emphasizes that individuals tend to compare their ratio of input (effort, skills, experience) and output (rewards, salary, recognition) with others in the organization. If employees feel that the rewards they receive are not commensurate with their contributions, this can lead to dissatisfaction and decreased motivation, which ultimately has a negative impact on performance (Colquitt et al., 2013). Conversely, if rewards are perceived as fair, employees tend to be more motivated to improve their performance. Research by Zhang et al. (2020) shows that fairness in reward distribution (distributive justice) has a significant influence on employee job satisfaction and performance. Employees who feel they are treated fairly tend to show higher levels of commitment to the organization, which in turn increases their productivity. Additionally, Lee et al. (2019) found that perceptions of fairness in rewards also influence stress levels and job satisfaction, which indirectly affect employee performance. Equity Theory explains how rewards influence employee performance. Equity Theory emphasizes the importance of perceptions of fairness in reward distribution.

Model Development and Hypotheses

The Influence of Rewards on Performance

A reward is a reward, gift, recognition, or compensation aimed at encouraging someone to work harder to improve or enhance their performance. Rewards are a form of positive reinforcement; they influence employee performance in completing assigned tasks well and responsibly, ultimately achieving maximum results. Previous research has found that rewards can improve performance (Meifilina & Haris, 2021). Other studies have also found that rewards have a significant impact on performance (Ikbal et al., 2021) (2022); (Azwar et al., 2022); (Bolatito & Mohamoud, 2024). Research findings (Martono et al., 2018) and (Mazllami, 2020) revealed a significant relationship between rewards and performance. Based on the above research findings, the hypothesis in this study is:

H1. Rewards have a positive and significant influence on performance

The Influence of Rewards on Job Satisfaction

One of the factors influencing satisfaction is the provision of rewards, which serve as recognition and are an important means of achieving job satisfaction within an organization and improving performance. Research findings indicate that the recognition received by organizational members fosters job satisfaction (Bolatito & Mohamoud, 2024). Another study found that rewards have an impact on job satisfaction (Baporikar, 2021); (Saputra, 2022). (Nadiyya & Rini, 2023) Nadiyya & Rini (2023) emphasize that rewards have a significant impact on job satisfaction. Rewards perceived as fair and commensurate with workloads foster feelings of satisfaction, pride, and motivation in performing tasks. In a broader study, Alkandi et al. (2023) show that both monetary and non-monetary rewards significantly influence employee job satisfaction in the industrial sector. Alkandi et al. (2023) emphasize that satisfaction arises when rewards align with employees' expectations and psychological needs. Based on the above research findings, the hypothesis in this study is:

H2. Rewards have a positive and significant influence on job satisfaction.

The Influence of Job Satisfaction on Performance

Job satisfaction is the level of satisfaction an individual feels toward their work, while employee performance relates to the quality and quantity of work produced by an employee. Previous research has found a positive correlation between satisfaction and improved performance (Katebi et al., 2022). Other research concluded that job satisfaction significantly influences how an

individual performs their tasks (Dziuba et al., 2020). Rahayu et al. (2022) found in their study that job satisfaction plays a key role in improving employee performance. The study also stated that the higher the job satisfaction, the stronger the motivation to work to the best of one's ability and complete tasks with the highest quality. Based on the above research results, the hypothesis in this study is:

H3. Job satisfaction has a positive and significant effect on performance

The Effect of Rewards on Performance with Satisfaction as a Mediator

In previous studies, it has been found that rewards do not always directly affect employee performance. Instead, the effect is more often indirect, through increased job satisfaction. This means that the rewards received by employees must first create a sense of satisfaction with their work, which in turn will drive optimal performance. Research by Alkandi et al. (2023) explicitly shows that rewards have an indirect effect on performance through job satisfaction. In the context of the Saudi Arabian industry, rewards given to employees will only have a positive impact on performance if employees are satisfied with their work. A study by Martono et al. (2018) also supports this mediating role. The study found that job satisfaction acts as a mediator in the relationship between the remuneration system and employee performance in the public university environment. A similar point was made by Abbas et al. (2021), who found that rewards are not sufficient to improve performance without high job satisfaction. Job satisfaction has been proven to mediate the relationship between rewards and performance in service and manufacturing organizations. In the public service sector in Indonesia, Siregar et al. (2023) stated that rewards can drive employee performance when accompanied by an increase in perceived job satisfaction toward the organization and immediate supervisors. Based on the above research findings, the hypothesis in this study is:

H4. Rewards have a positive and significant effect on performance with job satisfaction as a mediator.

The relationship between rewards and punishment on performance with satisfaction as a mediator is illustrated in the research model as follows..

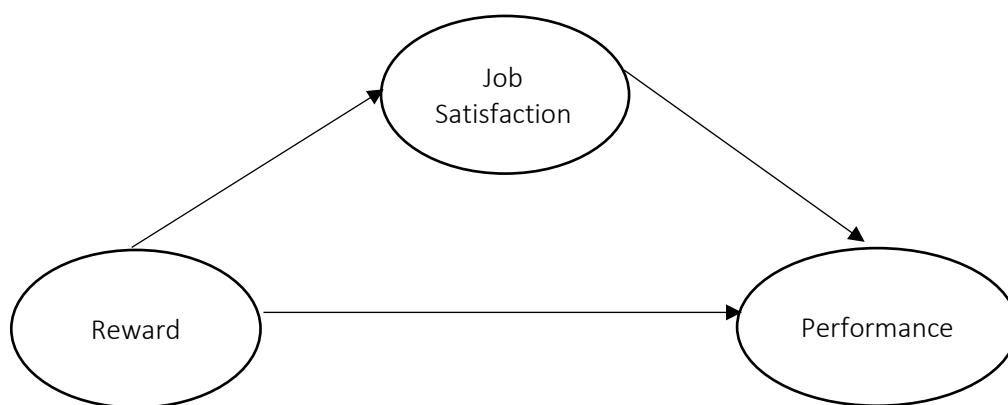


Figure 1. Research Model

RESEARCH METHODS

This study was conducted at the Banjarnegara Police Headquarters, with the research subjects being active personnel serving in several main work units, such as Sat Samapta, Sat Intelkam, Sat Reskrim, and Sat Lantas. A survey using a questionnaire was conducted on 165 active personnel of the Banjarnegara Police Headquarters using the convenience sampling method. Data collection was carried out by distributing a closed-ended questionnaire using a 5-point Likert scale, ranging from “strongly disagree” (1) to “strongly agree” (5). The research instrument was developed based on indicators that had been validated in previous studies.

The data analysis technique used was Structural Equation Modeling–Partial Least Square (SEM–PLS) with the assistance of SmartPLS software. This model was used to test the causal relationships between variables and the mediating effects simultaneously. SEM-PLS was chosen because it can analyze measurement and structural models simultaneously and does not require normal data distribution (Hair et al., 2019).

Table 1. Constructs and Measurements

No	Variable	Conceptual Definition	Indicators	Items
1	Reward	Rewards are a form of recognition given by organizations to employees in acknowledgment of their performance, achievements, or contributions. Rewards can be material (monetary) or emotional (non-monetary) (Koo et al., 2020).	1. Performance-based incentives 2. Awards for outstanding employees 3. Career development opportunities 4. Recognition of employee ideas/suggestions (Siregar et al., 2023)	1. I feel that the better my performance, the greater the incentives I receive. 2. I feel that the institution rewards officers who perform well or are disciplined. 3. I feel that I am given the opportunity to develop my career in the police force. 4. I feel that my ideas or suggestions are valued by my superiors.
2	Job Satisfaction	Job satisfaction is a pleasant or positive emotional state that comes from an assessment of one's job or overall work experience (Koo et al., 2020).	1. Satisfaction with salary 2. Promotion opportunities 3. Appreciation/recognition from superiors 4. Good relationships with coworkers 5. Comfortable work environment (Siregar et al., 2023)	1. I am satisfied with my salary, which is sufficient for my daily needs. 2. As an officer, I have the opportunity to be promoted. 3. My superiors praise and recognize my work performance. 4. My working relationship with my colleagues is good. 5. I feel comfortable with my work environment at the Banjarnegara Police Station.
3	Performance	Performance is the level of achievement of tasks or work responsibilities by	1. Timely completion of tasks	1. I complete my tasks faster than the specified time.

No	Variable	Conceptual Definition	Indicators	Items
		employees, which reflects the effectiveness and efficiency of work in achieving organizational goals (Koo et al., 2020).	2. Compliance with work procedures 3. Initiative at work 4. Quality of service to the community (Koo et al., 2020)	2. I always adhere to the rules and procedures in place at the Banjarnegara Police Station. 3. I take initiative in addressing issues without waiting for instructions from my superiors. 4. I strive to consistently provide the best service to the community.

RESULTS AND DISCUSSION

Before testing the relationship between latent variables, the first step in the SEM-PLS approach is to test the feasibility of the measurement model (outer model) to ensure that the indicators used are valid and reliable. Convergent validity is assessed based on outer loading and Average Variance Extracted (AVE) values, while construct reliability is evaluated using Cronbach's Alpha and Composite Reliability values. According to Hair et al. (2019), an indicator is considered valid if it has an outer loading ≥ 0.70 and AVE ≥ 0.50 , and reliable if the Composite Reliability and Cronbach's Alpha values are ≥ 0.70 .

Table 1. Outer Loading

Variable	Indicators	Performance	Job Satisfaction	Reward
Performance	K1	0.887		
	K2	0.922		
	K3	0.868		
	K4	0.917		
Job Satisfaction	KK1		0.826	
	KK2		0.912	
	KK3		0.890	
	KK4		0.863	
	KK5		0.874	
Reward	R1			0.878
	R2			0.890
	R3			0.845
	R4			0.814

Table 2 shows the results of validity and reliability testing for the indicators of each construct, namely reward, job satisfaction, and performance. Based on the analysis results, all outer loading

values are above 0.70, indicating that each indicator has a high correlation with the construct it represents. This indicates that all indicators have good convergent validity (Hair et al., 2019).

Additionally, the Average Variance Extracted (AVE) values for all variables are above 0.50, indicating that more than 50% of the variance in the indicators can be explained by the relevant construct. This means the model has strong representational ability for the latent constructs (Ghozali & Latan, 2015). In terms of reliability, the Composite Reliability and Cronbach's Alpha values for each variable are above 0.80, meaning that all constructs meet the criteria for high internal reliability.

Table 2. Construct Reliability

Variable	Cronbach's alpha	Composite reliability	Average variance extracted (AVE)
Job Satisfaction	0.922	0.923	0.763
Performance	0.921	0.922	0.808
Reward	0.880	0.884	0.735

Table 4 presents the results of discriminant validity testing using the Fornell-Larcker Criterion approach, which compares the square root of the Average Variance Extracted (VAVE) value of each construct with the correlation between constructs. A construct is said to have good discriminant validity if the VAVE value is higher than the correlation values between other constructs (Hair et al., 2019).

Table 3. Discriminant Validity (Fornell-Larcker Criterion Method)

Variable	Job Satisfaction	Performance	Reward
Job Satisfaction	<u>0.874</u>		
Performance	0.860	<u>0.899</u>	
Reward	0.830	0.817	<u>0.857</u>

The results in Table 4 show that the VAVE values of each construct—namely reward, job satisfaction, and performance—are greater than the correlation values between constructs in the corresponding rows and columns. This means that each construct in the model has strong discriminating power and is able to explain the variance of its indicators uniquely and without overlapping with other constructs. The good discriminant validity in this model confirms that the constructs of reward, job satisfaction, and performance are distinct yet interrelated concepts, which are crucial for ensuring the quality of structural model estimation results.

Table 5 presents the R-Square (R^2) and Q-Square (Q^2) values for the endogenous variables in the model, namely job satisfaction and performance. The R-Square value indicates how much of the variance in the endogenous construct can be explained by the exogenous construct, while Q-Square measures the predictive ability of the model based on the blindfolding technique (Hair et al., 2019).

Table 4. R-Square (R^2) dan Q-Square (Q^2)

Variable	R-square	Q-square
Job Satisfaction	0.689	0.516
Performance	0.774	0.617

The analysis results show that the R-Square value for job satisfaction is 0.689, and for performance is 0.774. This means that rewards can explain 68.9% of the variability in job satisfaction, and rewards and job satisfaction simultaneously explain 77.4% of the variability in performance. According to Chin's (1998) criteria, an R-Square value ≥ 0.67 is considered strong, indicating that this model has excellent explanatory power. Furthermore, the Q-Square value for job satisfaction is 0.516 and for performance is 0.617, both of which are above the minimum threshold of 0.35. These values

indicate that the model has high predictive power, or predictive relevance. This means that the model not only explains endogenous variables statistically but also has good ability to accurately predict new data.

Table 5 presents the results of hypothesis testing through path analysis using the Structural Equation Modeling – Partial Least Square (SEM–PLS) approach. This testing includes path coefficients, t-statistics, and p-values for each relationship between latent variables.

Table 6. Results of Direct and Mediation Effect Hypothesis Testing

Variable Relation	Original sample (O)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Hypothesis Conclusion
Direct Influence					
Reward -> Performance	0.331	0.097	3.417	0.001	Supported
Reward -> Job Satisfaction	0.830	0.029	28.712	0.000	Supported
Job Satisfaction -> Performance	0.585	0.092	6.330	0.000	Supported
The Influence of Mediation					
Reward -> Job Satisfaction -> Performance	0.486	0.083	5.869	0.000	Supported

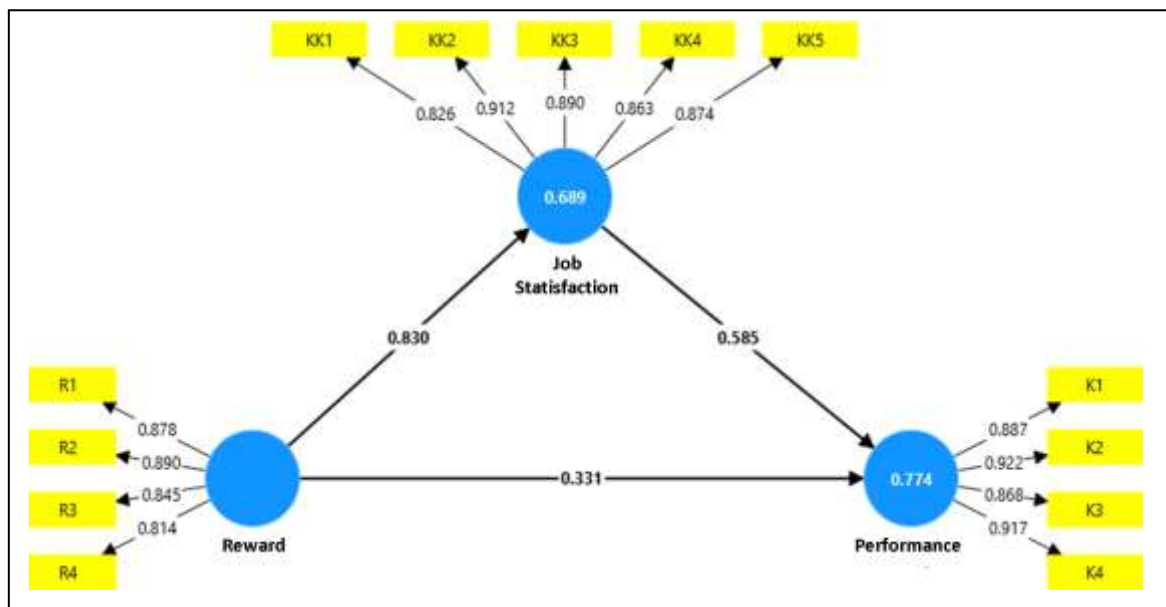


Figure 2. Structural Model

Hypothesis 1: Rewards have a positive and significant effect on performance

The SEM-PLS test results show that rewards have a positive and significant effect on the performance of Banjarnegara Police personnel, with a coefficient value of 0.331, a t-statistic value of 3.417, and a p-value of 0.001. This finding indicates that the higher the rewards received by personnel, whether in the form of financial incentives or non-financial recognition, the higher their performance levels. Rewards function as reinforcers that motivate individuals to maintain or improve their work performance. In this context, rewards create the perception that their efforts and contributions are valued by the institution, thereby fostering loyalty, responsibility, and the drive to

achieve more optimal work targets. This finding supports the research results of Meifilina & Haris (2021), Ikbal et al. (2021), Azwar et al. (2022), and Martono et al. (2018), which confirm that rewards have a positive influence on improving employee performance. This finding is also consistent with Adams' (1965) Equity Theory, where perceptions of fairness regarding rewards enhance employee motivation and performance.

Hypothesis 2: Rewards have a positive and significant effect on job satisfaction

Rewards were found to have a positive and significant effect on job satisfaction, as indicated by a coefficient value of 0.830, a t-statistic of 28.712, and a p-value of 0.000. This shows that rewards that are perceived as fair and in line with expectations can create a sense of satisfaction with work. Job satisfaction emerges as a positive emotional response to enjoyable work experiences, one of which is through rewards. Both financial rewards (salary, bonuses) and non-financial rewards (recognition, career opportunities) can enhance intrinsic motivation and affection toward work, thereby strengthening satisfaction in performing tasks. These findings are consistent with the results of studies by Bolatito & Mohamoud (2024), Baporikar (2021), Nadiyya & Rini (2023), and Alkandi et al. (2023), which show that rewards significantly influence job satisfaction. Theoretically, this reinforces the Expectancy Theory approach, which states that when rewards align with expectations and psychological needs, job satisfaction increases.

Hypothesis 3: Job satisfaction has a positive and significant effect on performance

The analysis shows that job satisfaction has a positive and significant effect on performance with a coefficient value of 0.585, a t-statistic of 6.330, and a p-value of 0.000. This means that personnel who are satisfied with their working conditions tend to demonstrate higher performance. Job satisfaction strengthens emotional attachment to work and the institution, increases commitment, and encourages personnel to give their best effort. This directly contributes to improved performance in terms of productivity, discipline, and service to the community. These results are consistent with Katebi et al. (2022), Dziuba et al. (2020), and Rahayu et al. (2022), who found that job satisfaction has a significant impact on employee performance. Overall, these findings also reinforce Herzberg's two-factor theory of motivation, where job satisfaction is the primary driver of increased productivity.

Hypothesis 4: Rewards influence performance with job satisfaction as a mediator

Mediation analysis shows that job satisfaction significantly mediates the relationship between rewards and performance, with an indirect effect value of 0.486, a t-statistic of 5.869, and a p-value of 0.000. This means that rewards not only influence performance directly but also through increased job satisfaction. This mediation process indicates that the rewards received by personnel create emotional and psychological satisfaction, which then motivates them to improve the quality and quantity of their performance. This clarifies that the role of rewards is not solely about direct incentives but is more importantly about fostering positive perceptions toward work. These results support the studies by Alkandi et al. (2023), Martono et al. (2018), Abbas et al. (2021), and Siregar et al. (2023), which emphasize that the influence of rewards on performance is indirect through job satisfaction. This finding confirms that job satisfaction is a key psychological mechanism in the relationship between rewards and employee performance, particularly in the public service sector.

CONCLUSION

This study aims to analyze the effect of rewards on the performance of Banjarnegara Police personnel with job satisfaction as a mediating variable. Based on the results of SEM-PLS analysis, it was found that rewards have a positive and significant effect on job satisfaction and performance. Additionally, job satisfaction was also found to significantly contribute to improved performance. Furthermore, the mediation results showed that rewards influence performance not only directly

but also indirectly through job satisfaction. Thus, it can be concluded that job satisfaction acts as a mediating variable that strengthens the relationship between rewards and employee performance.

The practical implications of this study highlight the importance of managing a fair and transparent reward system to enhance job satisfaction and encourage optimal performance. Police institutions can design a reward system that not only focuses on financial incentives but also includes non-financial rewards such as recognition, promotion opportunities, and career development. This is crucial in creating a motivating work environment that supports the achievement of organizational goals.

The limitations of this study lie in its scope, which only covers one institution (Banjarnegara Police Department), so generalizing the results to other regional police contexts should be done cautiously. Additionally, the quantitative approach used did not delve deeply into other qualitative factors that may influence the relationship between variables, such as organizational culture or leadership style.

For future research, it is recommended to conduct comparative studies across regions or other police units to gain a broader understanding of the effectiveness of the reward system. Future research could also incorporate a qualitative approach to explore personnel perceptions of the most meaningful and relevant forms of rewards in the context of their duties and responsibilities. Additionally, it is recommended to consider other variables such as work motivation or organizational commitment as additional mediators to obtain a more comprehensive picture.

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