

The Influence of Reward and Feedback toward Task Performance and The Mediation

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Abstract. This research aims to test the mediation of organizational citizenship behavior between rewards and recognition toward task performance and the mediation of perceived organizational support between feedbacks from job toward task performance. This research performed on SMEs craft employee in Kasongan, Bantul, with total of 114 respondents. The sampling technique used purposive sampling only to employee with two years work experience and concurrently did not work as an owner. The result showed that organizational citizenship behavior did not mediate rewards and recognition toward task performance, but only perceived organizational support mediated between feedbacks from job toward task performance.

Keywords: rewards and recognition, feedback from job, organizational citizenship behavior, perceived organizational support, task performance.

1. Introduction

Over the past few years the SMEs business in Kasongan, Bantul district has been faced a heavy situation in the early 2000s but yet nowadays this area still becomes the first pottery shopping destination in Yogyakarta for domestic and foreign tourist all around the world. The heavy situation stated earlier began with the massive earthquake in 2006 and had caused many effects. First of all the decreasing of the pottery production happened since the earthquake has been destroyed all of the workshops and also their homes. It took a few weeks until the entire infrastructure such as electricity and water system began back to normal. But, it took years for the Kasongan pottery area back to normal activity. The second is the demand of pottery has been fallen down; moreover, the government reacted to help the marketing of pottery. After the earthquake, then the global financial crisis occurred all over the world by 2008, including Indonesia. Also, Kasongan business highly depended on the demand for export, surely the number of demand has decreased at that time. In 2010 there was also occurred a volcanic eruption of Mount Merapi, which is the most active volcano in the world, and it has been caused the decreasing of the productivity in Kasongan SMEs pottery business.

The disruption effect from the natural disasters and global financial occurred in Kasongan SMEs pottery business, but until now, Kasongan still exists become a center of the pottery industry. Also, the SMEs business contributes Indonesia Gross Domestic Product (GDP) amount 57.12 % (31). Many of the researchers interested in this phenomenon, it's called Sustaining Post Disaster (SPD) research. SPD focused on tools, technique, strategies and risk assessment from the government, private institution, and other community. Researchers try to

explain the phenomenon in human resource management point of view between employee and owner of the SMEs business.

2. Literature review

2.1 Hypothesis Development

Aktar et al. (2012) stated that rewards are the important elements to motivate employees for contributing their best effort to generate innovative ideas that lead to better business functionality and further improve company performance both financial and non-financially [1]. Rewards and recognition can be meant as a salary, bonuses, job promotion, commission, tips, gifts, acknowledgment, and appreciation from the manager or owner. Rewards and recognition in this term not only based on formally payroll system, but also informal benefits such as appreciation, respect, and acknowledgment.

The term Organizational Citizenship Behavior (OCB) has been introduced by Organ (1988) as “individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization” [2]. OCB also means the desire that employee behaves in order to gain the highest achievement in line with strategic organizational objectives [3]. Joireman et al. (2006) stated that organizational citizenship behaviors include behaviors that urge peers to invest in the organization or any work behavior that exceeds routine expectations [4]. So that it is necessary for the owners to gain OCB in order to gain the optimum productivity result and loyalty. When the employee believes the reward and recognition environment is fit for them, it will be increasing their OCB. From the explanation before, therefore the first hypothesis stated: H1: Rewards and recognition positively affect OCB.

Chelagat et al., 2017 stated that OCB helps the organization to increase its performance in the long run as compared to short term [5]. OCB is more than structured performance applicable in an organization but an intrinsic motive that makes employee have a high loyalty to work. Task performance defined as a person's contribution to organizational performance refers to actions that are part of the formal reward system (i.e., technical core), and addresses the requirements as specified in job descriptions [6]. Based on Chelagat et al. (2015) employee performance is increasingly being seen to encompass constructs such as organizational citizenship behavior [5]. When the OCB of the employee is high, it will increase her/his task performance (individually). From the explanation before, therefore the first hypothesis stated: H2: OCB positively affect task performance.

Many researchers claim rewards and recognition has a direct and big impact on how employee perform their job/task [1], [7]–[10]. Individuals are best motivated when they believe that the behavior will lead to certain outcomes that are attractive and that performance at the desired level is possible [11]. In exchange for the rewards provided to them, employees should reciprocate by increasing their commitment to their organization and their work [1]. It means clearer and better rewards and recognition system will improve employee task performance. From the explanation before, therefore the first hypothesis stated: H3: Rewards and Recognition positively effect task performance.

Aktar et al. (2012) stated that rewards are the important elements to motivate employees for contributing their best effort to generate innovative ideas that lead to better business functionality and further improve company performance both financial and non-financially [1]. While OCB means individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system and that in the aggregate promotes the effective

functioning of the organization [2]. Reward and recognition on the other hand can be concluded as the antecedent of OCB [12]. Based on Chelagat et al. (2015) employee performance is increasingly being seen to encompass constructs such as organizational citizenship behavior [5]. From the explanation before, therefore the first hypothesis stated:

H4: OCB positively mediated reward and recognition toward task performance.

Feedback from job is a combination of supervisors feedback and co-worker feedback [13]. Perceived organizational support is summarized as an extra-role behavior to help other employees with creative suggestion and feedback found to have a positive effect on perceived organizational support [14]. Employees will feel organizational support if they get a good response to their work and not verbal abuse or negative actions. The supervisor's feedback can be in the form of inputting improvements to subordinates for their work, which in this case benefits both parties.

H5: Feedback from job positively affect perceived organization support.

Perceived organizational support is the belief of an employee that the organization respects its contribution and cares about its welfare [15]. Perceived organizational support is felt when the organization considers the goals and values of employees, gives attention, listens to opinions, is willing to help if there are special needs, and forgives if employees honestly admit mistakes [16]. The influence of perceived organizational support on performance is seen in several studies [17], [18]. Organizational support makes employees feel partially responsible so as to give their best performance and contribution in return because of the organization's attention.

H6: Perceived organizational support positively affect task performance.

Feedback is important for employees to achieve good performance; feedback is an opportunity for superiors to evaluate the results of their subordinates' work to find the cause of failure and carry out further corrective actions. Feedback from a co-worker is done in the form of coordination of the implementation of tasks; feedback will make teamwork more organized. Positive feedback from a co-worker was found to have a positive effect on improving performance, as well as negative feedback also caused the demoralizing effect on the desire to perform [13] [19].

H7: Feedback from job positively affects task performance.

Employee performance is needed by the organization, good performance can be achieved if there is organizational support that arises from the concern of superiors and co-workers to provide input and evaluation of work results. This feedback will affect perceived organizational support [15] and perceived organizational support will create task performance [17], [18] and there is mediation in the relationship [20].

H8: Perceived organizational support positively mediated feedback from jobs toward task performance.

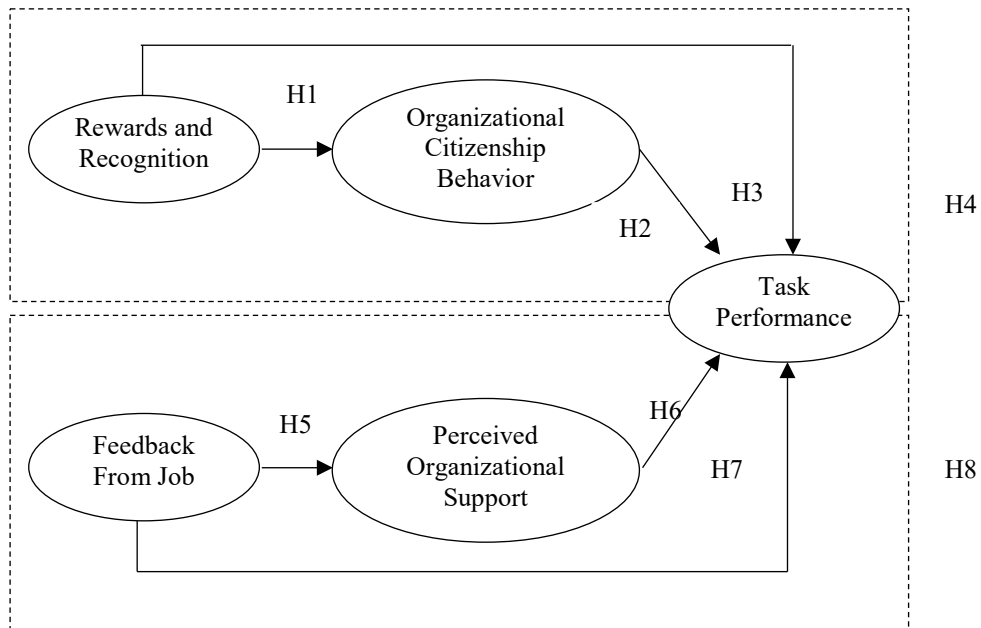


Figure 1. Research Model

3. Method

The research population was employees of craft SMEs in Kasongan, Bantul, Yogyakarta. Sampling uses a purposive sampling technique with the criteria that employees have worked at least two years, and not employees who concurrently become owners of the company. Sample size 114 employees, 63% male, and 37% female; 23% are single and 77% are married; based on education 12% junior high school, 84% senior high school, 2% diploma, and 2% bachelor. The characteristics of the company based on the old company operating shows that there are 16% less than 5 years, 57% operate 5-10 years, 27% over 10 years; 65% have their own brand and 35% have no brand; 45% said the products were exported and 55% were not exported.

Retrieving data using 5 Likert scale questionnaires with rewards and recognition indicators based on Saks, 2006 [16], OCB based on Shim and Faerman, 2017 [21], Feedback from job based on Kohli and Jaworski, 1994 [13], perceived organizational support based on Saks, 2006 [16] and task performance based on Maciel and Camargo, 2016 [22]. Cronbach's Alpha Std. rewards and recognition (0.892), OCB (0.741), feedback from job (0.895), perceived organizational support (0.814), task performance (0.783) > 0.60 which means reliability is fulfilled.

Validity is fulfilled if corrected item-total correlation > 0.1840 (r table, 5%, two tails). Validity test results for rewards and recognition (0.519-0.726) with indicators of promotion (0.047) fail; OCB (0.355-0.638) with indicators must be better in compulsory work (-0.352) and fail in important tasks (0.063) fail; feedback from job (0.254-0.710); perceived organizational support (0.399-0.682) with indicators of company attention (0.124) and companies take advantage of the goodness of employees (-0.009) to fail; and task performance (0.344-0.685). The classical assumption test is applied to 8 regression models which include normality (normal p-p plot graph and kolmogorov-Smirnov test) heteroscedasticity (scatter plot and park test graphs), so that the regression model has fulfilled the best, linear, unbiased estimator.

4. Result and discussion

Table 1. Summary of Causal Step Test

Model	Ind.	Dep.	Unstd. Coeff.		Stand. Coeff.	t	Sig.	R ²	Adj. R ²	Result
			(B)	Std. Error	(B)					
1	RR	OCB	0.354	0.032	0.722	11.029	0.000	0.521	0.516	Sig.
2	OCB	TP	0.185	0.051	0.322	3.600	0.000	0.104	0.096	Sig.
3	RR	TP	0.234	0.035	0.532	6.652	0.000	0,283	0.277	Sig.
4	RR	OCB	0.384	0.084	0.537	4.548	0.000			Sig.
4	OCB	TP	(-) 0.035	0.068	(-) 0.061	(-) 0.521	0.603	0.245	0.231	Not Sig.
5	FFJ	POS	0.284	0.037	0.589	7.706	0.000	0.346	0.341	Sig.
6	POS	TP	0.403	0.095	0.371	4.225	0.000	0.137	0.130	Sig.
7	FFJ	TP	0.171	0.038	0.390	4.478	0.000	0.152	0.144	Sig.
8	FFJ	TP	0.290	0.104	0.287	2.798	0.006	0.194	0.180	Sig.
	POS	TP	0.228	0.112	0.210	2.045	0.043			Sig.

Hypothesis 1 which states rewards and recognition positively affect OCB is accepted ($p < 0.05$ and $B = 0.722$). The R^2 of reward and recognition toward OCB 0.521 means 52.1% reward and recognition brings effect toward OCB. The result consistent with other previous research that stated reward and recognition positively affect OCB [23]. From the result, the better rewards and recognition system held by the SMEs business then it will increase the OCB. The better system should be included a clear, detailed and equitable system implicated in a business. The system also should be known by the entire membership of SMEs business.

Hypothesis 2 OCB positively effect task performance is accepted ($p < 0.05$ and $B = 0.322$). The R^2 of OCB toward task performance 0.104 means 10.4% OCB brings effect toward task performance. The result consistent with other previous research that stated reward and recognition positively affect OCB [24]. OCB can be mean as the desire that employee behaves in order to gain the highest achievement in line with strategic organizational objectives [3]. Obviously, it will impact the total result of task performance. It strengthens the first hypotheses that the owner or manager should take very carefully of the reward and recognition system implicated in the business

Hypothesis 3 rewards and recognition positively affect task performance accepted ($p < 0.05$ and $B = 0.532$). The R^2 of reward and recognition toward task performance 0.283 means 28.3% reward and recognition brings effect toward task performance. The result consistent with other previous research that stated reward and recognition positively effect task performance [1] [7] [8] [9] [10]. From the result, it can be stated that rewards and recognition system implicated in a SMEs directly impact task performance. But, the impact is lower (28.3%) than the impact of the relationship between reward and recognition system toward OCB (52.1%). Therefore, it means the impact of reward and recognition would change/adapt the OCB first then task performance.

According to [25] mediation only occurs when the beta falls after the intermediary variable became a control variable but significant (partial mediation) or if the beta falls but is not significant (full mediation). Therefore, from the result when beta rises from 0.532 to 0.537 and showed significant value after OCB becomes a controller, it can be stated that there is no mediation.

Mediation testing based on Sobel Test

$$z = \frac{ab}{\sqrt{(b^2 SE_a^2) + (a^2 SE_b^2)}}$$

a= regression coefficient rewards and recognition toward OCB

b= regression coefficient OCB toward task performance

SE_a = Standard error of estimation rewards and recognition toward OCB

SE_b = Standard error of estimation OCB toward task performance

$$z = \frac{0.354 \cdot 0.035}{\sqrt{(0.035^2 \cdot (-0.032^2)) + (0.354^2 \cdot 0.068^2)}}$$

$$z = -0.514149675$$

The z value obtained is $-0.514 < 1.98$ (z value of the normal curve at the error level of 5%) so OCB does not mediate the effect of rewards and recognition on task performance. The test results using the Sobel test are consistent with testing using [25] that there is no mediation. It means that the direct relationship between rewards and recognition toward task performance is significant which is tested in the third hypotheses. Therefore, OCB as a mediator was rejected.

Hypothesis 5 the effect of feedback from work on perceived organizational support was positive and significant ($p < 0.05$ and $B = 0.589$). In accordance with the hypothesis that was built, feedback from co-workers in SMEs provided opportunities for coordination, formal and informal discussions about their work and opened the perspectives of each other to adapt each other in collaboration. Feedback from supervisors aims to improve the performance of subordinates, and the involvement of supervisors to their subordinates is often perceived as organizational support as a form of care and attention. This finding confirms previous research [13] [20] [14] [26]. The quality of positive feedback is also associated with low perceived organizational politics [27].

Hypothesis 6 which states the perceived effectiveness of task performance organizational support is accepted ($p < 0.05$ and $B = 0.371$). Organizational support reflected in compensation, ranking, job enrichment, and organizational policies will influence the perceived support and become an employee evaluation of the company and vice versa [20]. SME owners need to clearly show their support for employees through policies, rewards and recognition, and benefits that are linked to forming performance. This finding supports previous research [28] [18] [29].

Hypothesis 7 which states feedback from job positively the effect of task performance is accepted ($p < 0.05$ and $B = 0.390$). Feedback is a manifestation of the involvement of workers in the determination and achievement of goals, measuring the results of achievement, and seeking a joint solution to the problems found. Feedback motivates employees internally because the fulfilment of needs is recognized and heard, and the consequence is that employees must fight for the achievement of the performance proposals submitted by them. These results support previous studies [30] [20].

Hypothesis 8 which states perceived organizational support mediated feedback from jobs toward accepted task performance. The effect of the feedback from the job on task performance ($B = 0.390$) decreases after the perceived variable control organizational support (0.287) but remains significant [25] which means that there is a partial mediation effect. Partial mediation means that feedback from the job has an effect on perceived organizational support [14] [26] [27] [20] also has a direct effect on task performance [30] [19], and perceived supervisor support has a positive effect on task performance [17] [18] [29]. Thus the findings of this mediation are consistent with previous research [20].

5. Conclusion

From the result above, researcher believes that it will be necessary for the owner to increase OCB and perceived organizational support. Because of rewards and recognition significantly bring impact to OCB, and then the appropriate rewards and recognition system of an SME business will be important to gain the optimum task performance. The system also should be clear, challenging and interesting to the entire employee. Feedback from the job also significantly brings impact to perceived organizational support. Then, it is necessary to give direct feedback from the management to increase perceived organizational support felt by the employee to gain the optimum task performance.

From the mediation testing in this research, one of the mediation models was rejected, and the other was accepted. The rejected model is OCB as a mediator between rewards and recognition to task performance. It means rewards and recognition has a significant direct impact on task performance, which proven by the third hypotheses which were supported. In the other hand, perceived organizational support as a mediator between feedbacks from job to task performance is accepted. It means the management or owner should give attention through feedback to perceived organizational support in order to increase the task performance. Future research will be more completed to also test the impact of job engagement related to reward and recognition, OCB and task performance.

The findings indicate that perceived organizational support mediates partially the influence of feedback from jobs (supervisor and co-worker feedback). SMEs are expected to provide feedback on the results of the work of employees both formally and informally, the input given must be positive and not do it roughly or verbally. The right feedback from the job will create a feeling of being noticed and supported by the organization while creating task performance. Future research needs to separately examine the differences in the influence of feedback from supervisors and co-workers, as well as linking, perceive supervisor support.

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