DETERMINING THE EFFECT OF REWARD MANAGEMENT SYSTEM TOWARDS JOB PERFORMANCE. CASE STUDY: HOTEL X LAMPUNG, INDONESIA

By

James Ona Kembara 13311015

BACHELOR'S DEGREE in

BUSINESS ADMINISTRATION – HOTEL AND TOURISM MANAGEMENT CONCENTRATION FACULTY OF BUSINESS ADMINISTRATION AND HUMANITIES



SWISS GERMAN UNIVERSITY EduTown BSD City Tangerang 15339 Indonesia

January 2016

STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

	James Ona Kembara Student	Date	
	Approved by:		
SW	Munawaroh Thesis Advisor	Date	
	Prof. Eric Jos Nasution, MBA, M.A., PhD.		
	Dean	Date	

ABSTRACT

DETERMINING THE EFFECT OF REWARD MANAGEMENT SYSTEM TOWARDS JOB PERFORMANCE. CASE STUDY: HOTEL X LAMPUNG, INDONESIA

By

James Ona Kembara Munawaroh, Advisor

SWISS GERMAN UNIVERISTY

Research on reward management system has been conducted in several business industries to find out what sort of reward motivates employees to perform well in their job. Most of these researches are done in several developing countries and banking industries. However, there is little research done in the hospitality industry such as hotels where human capital is the main concern. Therefore, this research aims to analyze the effect of reward management system towards the 2 dimensions of job performance which is the task-related and contextual. In this research reward management system will include the monetary and non-monetary reward. This research will be conducted in X hotel which is located at Bandar Lampung by distributing 109 questionnaires to its employees. The result shows that non-monetary reward has the most impact towards employee's job performance. Furthermore, this research has found out that contextual dimension of job performance has the most effect toward the reward management system.

Keywords: Reward Management System, Monetary, Non-Monetary, Job Performance, Task-Related, Contextual



DEDICATION

I dedicate my thesis for beloved family and friends.



ACKNOWLEDGEMENTS

I wish to thank all the people who have helped me and support me in completing this thesis.

I wish to thank Munawaroh, as my advisor who have guided and support me since the beginning of my thesis until its completion.

I would like to thank Vishnuvardhana Soeprapto, and James Hunt who checks my thesis and gives their recommendation regarding my thesis structure.

I would like to thank the entire HTM 2011 batch who have helped me and support me since the beginning of the semester.

I would also like to thank Ingrid Melvani, Cynthia Febriana, Robby Budiono, Ricky Ananda, Kevin Winter, Lydia Rachel Chandra, Rika Tagore, and Sherlyn Saadi for their earnest support and care for the past 8 semester.

Lastly, I would also like to thank all those whose names were not mentioned here directly and indirectly for their utmost support.



TABLE OF CONTENTS

STATEMENT BY THE AUTHOR	2
ABSTRACT	3
DEDICATION	5
ACKNOWLEDGEMENTS	6
TABLE OF CONTENTS	
LIST OF FIGURES	
LIST OF TABLES	
CHAPTER 1 - INTRODUCTION	12
1.1. Background	12
1.2. Research Problems	
1.3. Research Questions	14
1.4. Research Objectives	14
1.5. Scope and Limitation	15
1.6. Significance of the Study	15
CHAPTER 2 – LITERATURE REVIEW	16
2.1 Framework of Thinking	16
2.2 Reward Management System	
2.2.1 Monetary Reward	21
2.3 Motivation Theory	24
2.3.1 Maslow's Hierarchy of Needs	25
2.3.2 Herzberg Two-factor theory	26
2.3.3 Expectancy Theory	27
2.4 Job Performance	28
2.5 Previous studies	30
2.6 Research model	34
2.7 Hypothesis	35
CHAPTER 3 – RESEARCH METHOD	36
3.1 Research Process	36
3.2 Type of study	37

3.3 Type of data	37
3.3.1 Primary Data	37
3.3.2 Secondary Data	37
3.4 Data collection	38
3.5 Sample population determination	38
3.6 Research object Error! Bookmark not de	fined.
3.7 Question design	39
3.8 Reliability and validity	43
3.8.1 Data Reliability	43
3.8.2 Data Validity	43
3.8.3 Pre-Test	43
3.8.4 Post-Test	44
3.9 Data analysis	44
3.9.1 Multiple regression analysis	44
CHAPTER 4 – RESULTS AND DISCUSSIONS	47
4.1 Company profile	47
4.2 Respondent profile	49
4.2.1 Gender	49
4.2.2 Age	50
4.2.3 Department	51
4.3 Validity and reliability test	51
4.3.1 Pre-testing of questionnaire	52
4.3.2 Post testing of questionnaire	53
4.4 Descriptive analysis	54
4.5 Multiple regression analysis	
4.5.1 Classical assumption test	55
4.5.2 Coefficient of determination	58
4.6 Hypothesis testing	59
4.6.1 F-test	59
4.6.2 T-test	60
4.7 Coefficient of determination – Job performance (task-related)	61
4.7.1 F-test	62
4.7.2 T-test	63
4.8 Coefficient of determination – Job performance (contextual)	64
4.8.1 F-test	64
4.8.2 T-test	65

4.9 Hypothesis analysis	66		
4.10 Discussion of hypothesis analysis	69		
CHAPTER 5 – CONCLUSIONS AND RECOMMENDATIONS			
5.1 Conclusions	70		
5.2 Recommendation	71		
GLOSSARY	73		
REFERENCES	74		
APPENDIX A – QUESTIONNAIRE IN ENGLISH	78		
APPENDIX B – QUESTIONNAIRE IN BAHASA	80		
APPENDIX C – QUESTIONNAIRE WITH ANSWER	82		
SPSS OUTPUT	84		
CURICULUM VITAE	89		



SWISS GERMAN UNIVERSITY