

# The Effect of Target Achievement Rewards on the Performance of Employees at BMT UGT Sidogiri Klampis Branch

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## ABSTRACT

The purpose of this study is to determine the effect of target achievement rewards on employee performance, both partially and simultaneously. The research method used is quantitative research, with the population being all employees at BMT UGT Sidogiri. The sample selection used random sampling. Data collection techniques used questionnaires and Google forms. The analysis tools used were instrument testing (validity testing, reliability testing), classical assumptions (normality testing), and hypothesis testing (simple linear regression analysis, T-test, and F-test). The results of the study indicate that target achievement rewards have a positive and significant effect on the performance of BMT UGT Sidogiri Klampis Branch employees, both partially and simultaneously.

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## 1. INTRODUCTION

One of the Islamic financial institutions that plays a role in the Indonesian economy is Baitul Mal Wa Tamwil (BMT). Baitul Mal Wa Tamwil (BMT) or integrated independent enterprises are microfinance institutions that operate on a profit-sharing principle, growing microbusinesses in order to uplift the status and dignity of the poor and defend their interests (Affandi et al., 2025) Baitul Mal Wa Tamwil (BMT) was established on the initiative and with the initial capital of local community leaders based on a salam (safety, peace, and prosperity) economic system (Ginanjari & Kassim, 2021)

Human resources (HR) are a determining factor in building a pious and professional Islamic bank. Islamic banks require human resources (HR) with two sides of competence or skills, including operational management and sharia knowledge, complemented by high moral character and integrity. The second factor is the bank's ability to provide products and services that can meet the needs of the community. ( Thus, it will be closely related to the ability to develop competitive products and serve potential customers. Bank product development will play a strong role with adequate human resources (HR), which oversee bank products and services through the Sharia Supervisory Board and the National Sharia Council. (Wijayanti & Setiawan, 2022)

One of the obstacles faced by a company is that its human resources have limited expertise in their work. Therefore, human resource management is very important in running a company's operations,

because a company's achievements depend on its human resources. (Expectations for professionalism and better performance from employees are inseparable from how a company is able to manage and reward its employees. (Sakib et al., 2025) Indirectly, these rewards affect the performance level of employees in order to improve the company's performance for the better. Every company will always strive to improve employee performance in the hope that the company's goals will be achieved. Companies will take various measures to improve the performance of their employees. (Suhail et al., 2025)

*Rewards* are a method used to motivate someone to do good and improve their performance. This method is well known in the world of work, not only in work but also in education. In management concepts, rewards are one of the tools used to increase employee motivation. In addition to motivation, *rewards* also aim to encourage someone to work harder to improve or enhance their existing performance. Based on the above issues, the researcher is very interested in discussing how performance levels change after the implementation of this method, with the title "The Effect of Target Achievement Rewards on BMT Employee Performance (Case Study: BMT UGT Sidogiri Klampis Branch Employees)".

## 2. METHOD

The population in this study was employees at BMT UGT Sidogiri Klampis Branch. The sample used was a *random sample* and was analyzed using simple linear regression. The data in this study were obtained through primary data collected in the form of an online questionnaire and secondary data from books, journals, websites, and other sources supporting this study. Data collection was carried out using a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). (Tamimah, 2020c)

## 3. FINDINGS AND DISCUSSION

From my interview with the head of the Klampis Branch of BMT UGT Sidogiri, Mr. RA Wahed Ruslan, the Klampis Branch of BMT UGT Sidogiri Cooperative implements a *reward* program for all employees, especially those in the marketing department. The aim is to attract and motivate employees to be more enthusiastic in their work and to achieve the annual targets set by each agency. The various forms of rewards given to all employees are one way to boost morale so that the company can achieve its goals. With the establishment of this *reward system*, employees are more careful in their work in order to achieve maximum results.

### Validity and Reliability Test Results

#### Validity Test

A validity test is an instrument that can be used to determine whether the data being studied is valid or not. The data is measured using  $r_{\text{calculated}}$  with  $r_{\text{table}}$ . If  $r_{\text{calculated}}$  is greater than  $r_{\text{table}}$  and the value is positive, then the indicator is declared valid, and if the opposite is true, then it is invalid (Huda et al., 2025). An instrument is considered valid if it meets the following criteria:

- $r_{\text{calculated}} > r_{\text{table}}$ , then the instrument is valid; otherwise, it is invalid
- Probability (sig)  $> 0.05$ , then the instrument is valid; otherwise, it is invalid
- The value of  $r_{\text{table}}$  is  $df = n - 2$  ( $n$  is the number of respondents), so  $df = 35 - 2 = 33$  at a significance level ( $\alpha$ ) of 5%, then  $r_{\text{table}} = 0.282$ . Therefore, if  $r_{\text{calculated}} > 0.282$ , the instrument is declared valid.

The following are the results of the validity test along with the analysis of each variable

- Results of the validity test for the variable *reward* for achieving targets (X) It is stated that all 11 items have a  $r_{\text{calculated}}$  value greater than the  $r_{\text{table}}$  value and a probability (sig) greater than 0.05. Therefore, all items or questions are declared valid and can be used in the study.
- Results of the validity test for the BMT UGT Sidogiri Klampis Branch employee performance variable

It is stated that all 11 items have a value of  $r_{\text{calculated}} > r_{\text{table}}$  and a probability ( $\text{sig}$ )  $> 0.05$ . Therefore, all items are declared valid and can be used in the study.

### Reliability Test

The reliability test is a decision-making process where if *Cronbach Alpha*  $> 0.60$ , it is declared reliable. If the opposite is true, it is declared unreliable.

No	Variable	Cronbach's Value	Description
1	Achievement reward	0.942	Reliable
2	Performance of employees at BMT UGT Sidogiri Klampis Branch	0.965	Reliable

Source: processed by the author

### Normality Test

The normality test was used based on the Komogoroc Smirnov test by looking at the normal probability plot test. It can also be seen based on the distribution of points on the diagonal axis or by looking at the histogram of the residual values (Kamath et al., 2025)

Based on the output generated from SPSS 20 using the Konglomogrov Smirnov test, the result for variable X is 0.816 with an asymp sig of 0.519, which is greater than 0.05. Therefore, it can be concluded that variable X is normally distributed. Meanwhile, for variable Y, the result is 1.529 with an asymp sig of 0.19, which is greater than 0.05, so it can be concluded that variable Y is normally distributed.

Meanwhile, the histogram graph shows a distribution pattern that deviates to the right, meaning that the data is normally distributed. Meanwhile, the plot shows that the points on the graph follow a diagonal line, even though there are some points that deviate slightly but still follow the diagonal line, so the normality assumption can be fulfilled.

### Hypothesis Test

#### Multiple Linear Regression Analysis Results

This analysis was used to analyze the data in the study to determine whether there was a significant effect between variable X, namely reward for achieving targets, and variable Y, namely the performance of BMT UGT Sidogiri Klampis Branch employees.

The output results show  $R = 0.714$ , which means a correlation coefficient of 50.9%. This value indicates that the independent variable (variable X) influences the dependent variable by 50.9%, while the remaining 47.7% is influenced by other independent variables. The standard error of the estimate shows a prediction error rate for the dependent variable of 4.232.

The regression line equation is calculated from the Unstandardized Coefficient column

$$Y = a + bX$$

The output applied in SPSS is as follows:

The independent variable (target achievement reward variable) is 0.649: the constant is 16.593 and Y is the dependent variable (performance of BMT UGT Sidogiri Klampis Branch employees), so the regression equation obtained is:

$$Y = 16.593 + 0.649X$$

Where Y is the performance of BMT UGT Sidogiri Klampis Branch employees, X is the target achievement reward

The employee performance variable (variable Y) has a constant of 16.593, meaning that if the independent variable has a value of (0), then the performance of BMT employees is 16.593. The coefficient of the independent variable (variable X) is obtained with a coefficient value ( $b$ ) = 0.649, which states that every increase of (+) 1, the target achievement reward will increase BMT employee performance by 0.4649.

### T-Test or Partial Test Results

The T test is used to show the extent of the influence of variable x on variable Y partially, with a significance level of  $\alpha = 0.005$  (5%). The determination of  $t_{table}$  is as follows:

$$d_1 = \frac{d}{2} = \frac{0.05}{2} = 0,025$$

$$d_2 = n - k = 35 - 2 = 33$$

Where n is the number of respondents, k is the number of variables in the study. Then, the  $t_{table}$  value obtained is  $(0.025;33) = 2.03452$

The hypothesis tested in this study is

$H_0$  = there is no significant effect between variable X and variable Y

$H_1$  = there is a significant effect between variable X and variable Y

This test is conducted to compare  $t_{calculated}$  with  $t_{table}$  under the following conditions:

- If  $t_{calculated} < t_{(table)}$ , then  $H_0$  is accepted and  $H_1$  is rejected. For  $\alpha = 5\%$
- If  $t_{calculated} > t_{(table)}$ , then  $H_0$  is rejected and  $H_1$  is accepted. For  $\alpha = 5\%$  The output results based on those applied by SPSS show that for the independent variable (variable x), the value of  $t_{calculated}(5.852) > t_{table}(2.03452)$  with a significance level of  $0.000 < 0.05$ . Therefore, it can be concluded that  $H_0$  is rejected and  $H_1$  is accepted, meaning that reward for achieving targets has a positive and significant partial effect on the performance of employees at BMT UGT Sidogiri Klampis Branch.

### 4. CONCLUSION

Based on the test results and discussion of the study on the effect of target achievement rewards on the performance of BMT UGT Sidogiri Klampis Branch, it can be concluded that there is a positive and significant effect of the target achievement reward variable in part on the performance of BMT UGT Sidogiri Klampis Branch employees. This is evident from the t-test results () where  $t_{calculated}(5.852) > t_{table}(2.03452)$  with a significance level of  $0.000 < 0.05$ . Therefore, it can be concluded that  $H_0$  is rejected and  $H_1$  is accepted, meaning that target achievement rewards have a significant partial effect on the performance of employees at BMT UGT Sidogiri Klampis Branch. From the results of the simple linear regression analysis that has been tested, the independent variable (target achievement reward variable) is 0.649, the constant is 16.593, and Y is the dependent variable (employee performance). Thus, the regression equation obtained is  $Y = 16.593 + 0.649 X$ . If the x variable is increased by one level, the effect also increases by one level on the target achievement reward, which is the x variable. Based on the results of the coefficient of determination,  $R = 0.714$ , which means that the correlation coefficient is 0.714 with an R Square value of 50.9 or 50.9%. This value means that the percentage of the independent variable (variable x) affects the dependent variable by 50.9%, while the remaining 47.7% is influenced by other independent variables.

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