

The Influence of Total Rewards Approach to Employees Sales Performance in Bersatu Sukses Group

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Abstract—This study aims to analyze whether the six aspects of total rewards approach – performance and career management, quality work environment, work and/or home integration, base pay, benefits, and contingency pay – affect employees’ sales performance. This research uses the population of Bersatu Sukses Group sales marketers with total of 105 people. Purposive sampling method was used for this research through simple random sampling technique, which led to a sample size of 83. This research used multiple regression to analyze the measure of relationship between the variables. Based on the results of the analysis, total rewards approach – performance and career management, quality work environment, work and/or home integration, base pay, benefits, and contingency pay – have significant and positive effects to employees’ sales performance at Bersatu Sukses Group. Work and/or home integration also proved to have the greatest impact of the six variables to employee’s sales performance with its heightened productivity brought by the variable as the most favored indicator by the average of the respondents. Furthermore, from the six total rewards approach, benefits and contingency pay are two variables with the least influence on employees’ performance in sales of Bersatu Sukses Group.

Keywords— *Total Rewards Approach, Performance and Career Management, Quality Work Environment, Work and/or Home Integration, Base Pay, Benefits, Contingency Pay*

1. Introduction

At the very front tip of sales-based organization lies sales employees. They are the main public face of the organization, with primary responsibility of generating sales, hence profits. Armstrong (2012) suggests well-managed rewards lead to the achievement of required commitment; due to a sense of mutual gain that employees feel. This gain works together with the organization as well as with the employee, in accomplishing particular target or goals. Armstrong (2009) also believes that reward management cultivates motivation and job engagement by appreciating people in accordance with their contribution (Jilani & Juma, 2015)

Companies commonly assume that money is the key motivator for salespeople. Others believe verbal motivation encourages salespeople more. ‘Get the incentives right and good performance will follow’ has been the generally accepted wisdom. In knowing the right fit of reward incentive in implementation to the business, depends largely on the nature of the sales process, together with the type of products and services the company sells. It also needs to acknowledge that individuals tend to be motivated by different things throughout a person’s career. Therefore, knowing which type of reward contains positive impact to them would be advantageous in limiting demotivation from happening and sustaining good level of working performance for these sales marketers.

This research aims to find out whether the total rewards approach of non-financial incentives (performance and career management, quality work environment, work and/or home integration) and financial incentives (base pay, contingency pay and benefits) affect marketing employees’ performance of sales in Bersatu Sukses Group. This study also offers significant insight to the marketing employees’ attitudes and satisfaction towards the rewards in use and the level of motivation the employees feel to have. The results can be used to develop the total rewards practices in better direction of Bersatu Sukses Group and help the company better

motivate their employees according to their needs. The reduced dissatisfaction towards reward practices may result in better productivity, motivation, engagement, and profitability of the company.

2. Literature Review

The idea behind total rewards approach is used to integrate rewards that are perceived as significant to employees through different hierarchies and jobs. Total Rewards aims to mix both financial and non-financial essentials of reward into a unified group so impact on job satisfaction and performance becomes dominant and permanent (Hoole & Hotz, 2016). Nienaber (2010) identified six features of total rewards model: performance and career management, quality work environment, work-home integration, base pay, benefits, and contingency pay.

Performance and career management merged learning experiences designed to heighten employee skills and aptitudes development. Offering employees with the prospect to develop and progress and innovating their careers emboldens employees to benefit dynamic and involvement in their work. Findings show sales staff prefers performance recognition to be major boost of performance levels (Cravens et al., 1993) Thus, the following hypothesis is proposed:

H1: Non-financial reward of performance and career management significantly affects employees' sales performance.

Ajala (2012) stated that a good workplace features such as quality lighting and absence of noise will boost productivity due to less distractions and reduction in job-related stress. Forming an entertaining and stimulating work environment in which individuals are able to practice their skills to do evocative works for which they are exposed gratitude is expected to be a more definite way to improve enthusiasm and performance (Mamdani et al., 2016). Thus, the following hypothesis is proposed:

H2: Non-financial reward of quality work environment significantly affects employees' sales performance.

Work-home integration requires detailed organizational exercises and procedures and that enthusiastically upkeeps struggle in assisting staffs to attain success at both work and home. Findings show when employers support the balance between work and life, employees will feel valued and therefore become more motivated, productive, and less stressful (Byrne, 2005) Thus, the following hypothesis is proposed:

H3: Non-financial reward of work and/or home integration significantly affects employees' sales performance.

Since employees are assured that they will obtain their base pay given that they account themselves to work and accomplish tasks within the tolerable outcomes. Studies found salespeople favor salary pay raises as reward to trigger performance, as they are tangible in physics (Khan et al., 2017) Thus, the following hypothesis is proposed:

H4: Financial reward of base pay significantly affects employees' sales performance.

Employee benefits require measures through which employers can magnetize capable employees. Welfares offered by an employer have a substantial influence in persuading the decision of an employee motivation. Hong et al. (2005) believes many employees are more likely to work in places where workers are given significant benefits. Thus, the following hypothesis is proposed:

H5: Financial reward of benefits significantly affects employees' sales performance.

Shields (2007) believes contingency pay act as an incentive that to inspire and backs wanted behaviors in an organization. Employees who obtain large amount of these are prone to additional improvements in their commitment; aiming to get more of them. This performs as a motivating tool for employees and empowers an organization to then achieve its objectives, consequently sales. Thus, the following hypothesis is proposed:

H6: Financial reward of contingency pay significantly affects employees' sales performance.

3. Research Methods

To test the above hypotheses, we gathered information from the sales marketing employees of Bersatu Sukses Group, which is a real-estate developer in East Java. The total amount of marketers who have worked over 1 year in the company is 105 people. Based on the Slovin formula, with a population of 105 people, and a 5% margin of error, the result of the sample size is 83 people with random sampling method. The questionnaires are

distributed manually through printed paper and presented in Likert scale. Multiple linear regression analysis is used to process the data analysis.

Three different respondent's characteristics are stated: gender, age, and length of work at Bersatu Sukses Group. 31 respondents (37.35%) are male, while 52 respondents (62.65%) are female. Thus, the sample contains more female respondents. 40 respondents (48.19%) are between the age of 26 to 36 years old, while 35 respondents (42.17%) are between the age of 36 to 46 years old. The remaining eight respondents (9.64%) are over 47 years old. Thus, the sample contains more younger respondents. 49 respondents (59.04%) have been working in the company for one to three years, while 27 respondents (32.53%) have been working in the company for three to five years. The remaining seven respondents (8.43%) have been working in the company for more than five years.

4. Result and Discussion

A validity and reliability test are conducted to see whether the questions asked will be relevant and pertinent to the research, and to see whether the indicators in the questionnaire remain reliable and consistent. The result of the validity and reliability test were as follows:

Table 1. Validity and Reliability Test

Variable	Indicators	Sig. Value	Cronbach's Alpha
Performance and Career Management (Prahawan, 2014)	Quality of work	.000	.653
	Quantity of work	.000	
	Consistency of employees	.000	
	Employees' behaviour	.000	
Quality Work Environment (Prahawan, 2014)	Employee relationship	.000	.677
	Safety	.000	
	Working rules	.000	
	Work environment noise level	.000	
	Lighting	.000	
Work-Home Integration (Syahril & Nurbiyati, 2016)Error! Reference source not found.	The ability to manage time	.000	.858
	Working hours that make sense	.000	
	Contentment	.000	
	Enthusiasm	.000	
	Non-absenteeism	.000	
	Lateness	.000	
	Heightened working productivity	.000	
	Commitment at workplace	.000	
Base Pay (Syahril & Nurbiyati, 2016)Error! Reference source not found.	Salary received appropriate to work done	.000	.663
	Salary received appropriate to company standard	.000	
	With salary attained employee is able to do task well	.000	
	With salary received, employees' needs are covered	.000	
Benefits (Korir & Kipkebut, 2016)	Contingency pay has covered employees' need	.000	.647
	Insurance was given	.000	
	Contingency pay given comforts the employee	.000	
	There is satisfaction in the current work done	.000	
Contingency Pay (Syahril & Nurbiyati, 2016)Error! Reference source not	Employees receive bonus aside of salary attained	.000	.694
	Bonus received heightened employees' motivation in work	.000	
	Amount of bonus received is appropriate to working result	.000	

found.			
Employees	High level of sales revenue	.000	.717
Performance in	Exceed monthly sales target	.000	
Sales (Islam et	Retained old customers	.000	
al., 2016)	Gain in new customers	.000	

As shown in Table 1, the result of the tests conducted has shown that each of the variables and indicators has .000 Sig value. Since all the indicators from the questionnaire scored ≤ 0.05 , all the indicators are valid to be used for this research and none had to be dismissed. Furthermore, result of the reliability test has shown that all variables can be accepted for the purpose of this research because all of the variables have an acceptable level of Cronbach Alpha value, which needs to be greater than 0.6, and thus can be considered as reliable.

Table 2. Classical Assumption Test

<i>Multicollinearity Test</i>		
Model	Tolerance	VIF
Performance and Career Management	0.617	1.621
Quality of Work Environment	0.792	1.262
Work and/or Home Integration	0.778	1.285
Base Pay	0.710	1.408
Benefits	0.690	1.450
Contingency Pay	0.611	1.637
<i>Normality Test</i>		
	Unstandardized Residual	
N	83	
Asymp. Sig. (2-tailed)	0.200	
<i>Heteroscedasticity Test</i>		
Model	Sig.	
Performance and Career Management	0.493	
Quality of Work Environment	0.521	
Work and/or Home Integration	0.470	
Base Pay	0.990	
Benefits	0.192	
Contingency Pay	0.943	
<i>Linearity Test</i>		
Model	Sig.	
Performance and Career Management	0.000	
Quality of Work Environment	0.000	
Work and/or Home Integration	0.000	
Base Pay	0.000	
Benefits	0.000	
Contingency Pay	0.000	

Based on the result in Table 2, it has been confirmed that all the value was significant, therefore the research model is considered free from the violation of the classic assumption, and the data can be analyzed further using the multiple regression analysis.

Table 3. Multiple Regression Analysis

<i>F Test</i>		
Model	F	Sig
Regression	21.463	0.000
<i>Coefficient Correlation and Determination</i>		
Model	R	R ²

1	0.793	0.629
<i>Hypothesis Test</i>		
Model	t	Sig
(Constant)	-3.220	0.000
Performance and Career Management	2.289	0.025
Quality of Work Environment	2.643	0.010
Work and/or Home Integration	2.665	0.009
Base Pay	2.265	0.026
Benefits	2.053	0.043
Contingency Pay	2.147	0.035

Table 3 exhibits the result of the relationship between the four independent variables: performance and career management, quality of work environment, work and/or home integration, base pay, contingency pay, and benefits towards the dependent variable, which is employee's performance in sales. Since the sig value is $< 5\%$ it can be concluded that all the independent variables have a significant influence towards the employee's performance in sales. The R value of 0.793 shows that there is a strong correlation between the variables because it is closer to 1. Meanwhile the R² value indicates that the independent variable is able to affect the dependent variable by 62.9 percent.

Based on the result of this research, performance and career management positively affects employee's performance in sales. The result indicates a positive relationship, and it can be assumed that performance and career management play a big role in determining the employee's performance in sales. This finding aligns with journal written by Schlechter, Claire, & Bussin (2015) that employees are attracted by experiences that recognized their heightened skills and aptitudes. This denotes their consistency in producing excellence in work. This means that company should explore methods regarding behavioral enhancement to the betterment of the employee's character at the workplace for example through given frequent training or invited speakers to educate for the betterment of their performance in sales.

Based on the result of this research, quality working environment variable positively affects employee's performance in sales. Matching the working environment with safety definitely makes the employees feel at ease therefore perform better in their sales, because they can feel reliable at or to the company. The respondents also think that they are able to communicate and work well with their colleagues comfortably at their working environment. This finding is supported by the research done by Scott et al. (2000) where it is mentioned that working conditions are attached with employees' job involvement and job satisfaction that ultimately leads to better performance of the employees.

As seen from the t-test, work and/or home integration shown highest in comparison to the rest, thus in this case it is apparent that flexibility in work helps escalate employee's performance because work and/or home integration enables freedom for employees manage their time and life in general, allowing more focus when performing in sales. In accordance to research done by Johari et al. (2018) which stated that employees who are able to control and manage work problems as well as life problems are able to perform at their best at work. Employees will have better mood at workplace when they have a better personal life, which will help them to focus on the work and improve their performance.

Referring to the t-test, it can be seen that base pay actually affects the employee's performance in sales. Align with the study by Martin (2010) states that the rising of salary pay raises would trigger performance. Also in line with this research, Khan et al. (2017) noted that salespeople prefer salary pay promotions as reward to trigger performance, as they are tangible in physic. A well thought out base pay aspect from the total rewards approach plays a big role in aiding to employees' commitment, and therefore in determining good performance when it is given to the employees.

Based on the result of this research, benefits variable positively affects employee's performance in sales. This means, company should explore methods regarding the various types or to what extent will the employees be satisfied for their form of benefits for the betterment of the employee's satisfaction towards their benefits at the workplace. This finding is align with the research done by Hong et al. (2005), where employees are more likely to

work at places where significant benefits are given and that employee benefits play a vital role in the expansion of an organization, sales performance and cultivating corporate industrial relations.

Based on the result of this research, contingency pay has a positive effect towards employee's performance in sales. This finding is aligned by the research done by Njanja et al. (2013) where relationship between contingency pay and the dependent variable is significant where employees are more likely to be empowered if given the right sum of contingency pay than if they were not. In addition to that, stated by the research by Shields (2007) that contingency pay acts as support to obtain wanted behavior that would lead to the achievement of targeted objectives, which in this case, sales.

5. Conclusions and Practical Implication

The findings of this study showed that both financial and non-financial reward namely performance and career management, quality of work environment, work and/or home integration, base pay, contingency pay, and benefits has a positive and significant effect towards the employees' sales performance in Bersatu Sukses Group, with work and/or home integration as the greatest impact of the six variables to employees' performance in sales. Suggestion for further research is to understand other factors affecting employee's performance in sales besides the total rewards approach to be able to increase employees' performance in sales, and to be able to create business and human resource management plans that takes into consideration not only the total rewards approach but also other factors and strategies.

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