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PARADOX OF THE REWARD SYSTEM: CAN REWARDS STRENGTHEN OR WEAKEN THE INFLUENCE OF PERFORMANCE ON JOB SATISFACTION?

O PARADOXO DO SISTEMA DE RECOMPENSAS: AS RECOMPENSAS PODEM FORTALECER OU ENFRAQUECER A INFLUÊNCIA DO DESEMPENHO NA SATISFAÇÃO NO TRABALHO?

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Abstract
As one of the university's resources, lecturers play a strategic role in the academic and educational development of students. The government must establish regulations regarding the profession, career, and income of lecturers because the widespread phenomenon of low lecturer salaries indicates that there are factors that are still not commensurate with their level of education. When a lecturer has positive feelings about their work, it's called job satisfaction. So, job satisfaction, performance, and the faculty reward system are very important for universities. This research was conducted using a quantitative method. Purposive sampling is the sampling technique used in this study. This research involved 260 faculty samples from excellent accredited private universities in the cities of Malang, Surabaya, and Jember in East Java, as well as Mataram in West Nusa Tenggara. A total of 245 questionnaires were collected out of 260 distributed and processed using Structural

Resumo
Como um dos recursos da universidade, os docentes desempenham um papel estratégico no desenvolvimento acadêmico e educacional dos alunos. O governo deve estabelecer regulamentações relativas à profissão, carreira e renda dos docentes, pois o fenômeno generalizado de baixos salários indica que ainda existem fatores que não são compatíveis com seu nível de formação. Quando um docente tem sentimentos positivos em relação ao seu trabalho, isso é chamado de satisfação no trabalho. Portanto, a satisfação no trabalho, o desempenho e o sistema de recompensas do corpo docente são muito importantes para as universidades. Esta pesquisa foi conduzida utilizando um método quantitativo. A amostragem por conveniência foi a técnica de amostragem utilizada neste estudo. Esta pesquisa envolveu uma amostra de 260 docentes de universidades privadas de excelência e credenciadas nas cidades de Malang, Surabaya

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Equation Modelling - Partial Least Squares (SEM-PLS) analysis. The research results indicate that the reward system does not have a direct impact on job satisfaction, but it does have a direct impact on performance and is proven to moderate the influence of performance on job satisfaction. Performance significantly influences job satisfaction and is proven to fully mediate the impact of reward systems on job satisfaction.

Keywords: Reward System. Performance. Job Satisfaction. Private University Lecturers.

e Jember, em Java Oriental, bem como Mataram, em Nusa Tenggara Ocidental. Um total de 245 questionários foram coletados dos 260 distribuídos e processados utilizando a análise de Modelagem de Equações Estruturais - Mínimos Quadrados Parciais (MEE-MQP). Os resultados da pesquisa indicam que o sistema de recompensas não tem um impacto direto na satisfação no trabalho, mas tem um impacto direto no desempenho e comprovadamente modera a influência do desempenho na satisfação no trabalho. O desempenho influencia significativamente a satisfação no trabalho e comprovadamente medeia totalmente o impacto dos sistemas de recompensas na satisfação no trabalho.

Palavras-chave: *Sistema de Recompensas. Desempenho. Satisfação no Trabalho. Professores Universitários Privados.*

1 INTRODUCTION

One of the most important things in higher education is the lecturers, who are essential for student and academic growth (Garwe, 2024). Many people believe that making teachers better can make education better (Kemal et al., 2019). The Indonesian government, through the Ministry of Education, Culture, Research, and Technology, issued Regulation Number 44 of 2024 because many faculty members still earn less than the regional minimum wage (https://www.viva.co.id/bisnis/1710399). This rule controls the profession, career, and pay of lecturers, and makes sure that universities pay them well. Job satisfaction is the degree of positive emotions a lecturer experiences regarding their profession (Stephen P. Robbins, 2017). So, for colleges and universities, job satisfaction, performance, and the reward system for teachers are all very important (Nevins-Bennett, 2023). This is because keeping and attracting professional lecturers is very important for job satisfaction. There is a positive link between employee satisfaction, customer satisfaction, and how well an organization does (Stamolampros et al., 2019).

Job satisfaction is one part of life satisfaction. It is measured by looking at a person's quality of life, including what they do at work and outside of work, and how much time they spend working (Cavallari et al., 2024). Some things that can affect how happy someone is with their job are their age, education, coworkers, the job itself, and

their monthly salary (Chen et al., 2022). Researchers are investigating lecturer job satisfaction in Indonesia due to the disparity between low salaries and the high demands of workload, administrative responsibilities, and elevated educational standards compared to other professions. They aim to innovate this study by adapting expectancy theory (Vroom, 1964) and research (Porter, L.W. and Lawler, 1968), which posits that performance success necessitates rewards.

1.1 Reward system and performance

The reward system encompasses all forms of compensation provided by the organization to employees, both financial (salary, bonuses, incentives) and non-financial (recognition, promotions, development opportunities). Expectancy Theory by Vroom (1964) states that individuals will work hard if they believe their efforts will lead to good performance, which will then be followed by rewards that are valuable to them. A fair, transparent, and performance-based reward system will motivate employees to improve their performance.

Research on the relationship between reward systems and performance indicates that rewards such as public recognition and gifts can motivate employees to perform well (Lotunani et al., 2014). Recognition can encourage employees to improve their performance (Jovanovic & Matejevic, 2014). When employees feel valued for what they do, they are more motivated to achieve organizational goals. With a good reward system, businesses can retain their best workers. Employees who feel valued and recognized are more likely to stay with the company and not seek opportunities elsewhere (Ndiango et al., 2024). One way to encourage employees to improve their skills and knowledge is to reward those who succeed. Performance evaluation is often linked to rewards. An effective reward system recognizes employees who meet or exceed performance targets. This can help clarify expectations and guide employees toward goals.

Therefore, it is very important to create a reward system that is appropriate for the organization's culture and principles. This is also important to ensure that performance evaluation standards and procedures are applied consistently and clearly. Researchers concluded from various previous research findings that there were contradictory results, leaving room for further research. Research penelitian (Fachiroh & Suratman, 2023), (Panca et al., 2019), (Hukubun et al., 2020), (M.Trihudiyatmanto & Sukardi Sukardi,

2023), (Siahaan, 2017), and (Susila, 2023) indicate that the reward system has a significant influence on employee performance. However, studies by Wijaya (2021); Nadiyya & Rini (2023) concluded that the reward system does not affect performance, and similarly, research by Taba (2018) found that the extrinsic and intrinsic reward systems have no direct effect on work performance.

Based on the contradictions in previous research findings, the researcher proposes the following hypothesis:

H1. The reward system directly affects performance.

1.2 Reward system and job satisfaction

The reward system directly influences job satisfaction because it reflects the organization's appreciation for employee contributions. Fair and deserved rewards will increase feelings of satisfaction. Conversely, injustice in the reward system can lead to frustration and decrease job satisfaction. Based on Equity Theory (Adams, 1963), employees will compare their inputs (effort, time) with the outputs (salary, rewards) they receive. Employee happiness levels are influenced by the type of recognition they receive. For example, flexibility in salary and benefits can increase satisfaction in various aspects (Beck-Krala et al., 2017). If a fair and transparent reward system is implemented, employees can feel valued and recognized for their contributions, and they can be more satisfied with their work (Chen et al., 2022). Conversely, if the reward system is not implemented well or is unfair, it can lead to dissatisfaction, jealousy, or even conflict in the workplace (Siraj & Hágen, 2023). Previous research found inconsistent conclusions. Research (Javed & Ahmed, 2012) found that both intrinsic and extrinsic rewards affect job satisfaction, while studies by employees (Lotunani et al., 2014), (Yusri, 2020), (Foenay et al., 2020), (Tobing, 2016), (Siahaan, 2017), (Wijaya, 2021), and (Siregar et al., 2023) concluded that reward systems can have a significant impact on employee job satisfaction. However, research (Effect et al., 2011) found that the reward system did not affect job satisfaction. Additionally, research (Tarigan, J. Cahya, A. Valentine, S. Hatane, 2022) found that Gen Z cannot be easily satisfied with financial incentives alone.

However, the role of performance as a mediator of the influence of reward systems on job satisfaction still requires a more in-depth review. When implemented well, reward systems can be an effective tool for improving performance and job satisfaction. This

means that the reward system first improves performance, and this improved performance then increases job satisfaction. Performance bonuses make employees work more productively; when their work results are recognized and appreciated, they feel satisfied. Research (Hofmans, Joeri & Pepermans, 2013) has shown that people can be divided into two types, each with a different relationship between their reward system and job satisfaction. The first type of person has a relationship between satisfaction and financial and psychological rewards, while the second type of person only has a relationship with psychological satisfaction. Meanwhile, research by Taba (2018) and Fathorrahman (2017) found that performance mediates the influence of rewards on job satisfaction.

Based on the contradictions in the results of previous studies mentioned above, the researcher proposes the following hypothesis:

H2. The reward system directly influences job satisfaction.

H4. Performance mediates the influence of the reward system on job satisfaction.

1.3 Performance and job satisfaction

Performance usually refers to how well an individual or organization achieves set goals or standards. A person's feelings toward their job, including whether they are connected to their work, feel satisfied, and are motivated, are called job satisfaction (Stephen P. Robbins, 2017). Good performance can be a source of intrinsic satisfaction, as individuals feel successful, competent, and valued for their work results. The Two-Factor Theory (Herzberg, 1964) distinguishes between motivator factors (achievement, recognition, responsibility) and hygiene factors (salary, working conditions). High performance often leads to recognition and promotion, which increases job satisfaction. Therefore, employees who feel valued by their company will typically feel more proud of their work and more satisfied with their jobs.

Many studies have investigated the relationship between job satisfaction and performance. According to some studies, it has been shown that there have long been differing opinions about the relationship between job satisfaction and employee performance, and this topic continues to attract attention to this day (Judge et al., 2001). According to most studies, there is a significant correlation between performance and job satisfaction. In other words, when employees feel they are doing their jobs well, they tend to be more satisfied with their work. High performance can increase job satisfaction

(Andjarwati et al., 2019), as people feel they are receiving recognition and appreciation for their work. On the other hand, there is also the argument that high job satisfaction can increase performance (Gazi et al., 2024), as satisfied people tend to be more motivated and committed to their work (Apridar & Adamy, 2018), and (Bashir B., 2020). If employee satisfaction increases, they are better able to meet job demands, thus improving their performance (Stirpe et al., 2022). Therefore, the researcher can conclude that performance influences job satisfaction (Zimmerman & Darnold, 2009) and (Stirpe et al., 2022), as well as the research (Fathorrahman, 2017), (Fathorrahman, 2019). Similarly, research (Siengthai S., and Pila-Ngarm, 2016) found that high job satisfaction can improve performance, as people who are satisfied with their jobs tend to be more motivated and more focused on what they do at work.

Despite the fact that a significant amount of research has been conducted on the relationship between the two, there is still room for further investigation. The main objectives of this research are to understand the dynamics occurring in the relationship between job performance and job satisfaction in various situations and to identify specific elements that play a role in regulating this relationship. From the previously discussed controversy regarding the relationship between performance and job satisfaction, it is very possible to create a new model by adding additional variables that act as moderators or mediators of the relationship between performance and job satisfaction (Judge et al., 2001). Because of this, the researchers included the reward system variable in this study. Researchers attempted to revise Porter and Lawler's research. Vroom's expectancy theory, which emphasises that organisations must directly link rewards to performance and ensure that the rewards given are appropriate and desired by the recipient (Patrick J. Montana, 2008), prompted researchers to reexamine and modify these findings. Another study, according to Vroom (1964), found that reward systems lead to satisfaction and, in some cases, successful performance is expected to result in rewards (Porter, L.W. and Lawler, 1968). Conversely, Porter concluded that reward systems, both intrinsic and extrinsic, moderate the relationship between performance and job satisfaction. Other studies (Fathorrahman, 2017 and Fathorrahman, 2019) also support these findings.

Based on several contradictions in the research above, the researcher formulates the following research hypotheses:

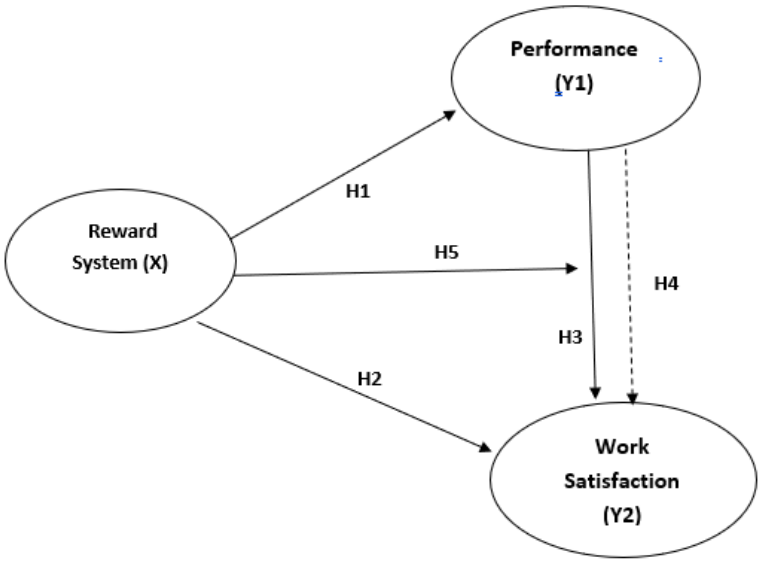
H3. Performance directly affects job satisfaction.

H5. The reward system moderates the influence of Performance on job satisfaction.

Researchers built the Research Conceptual Framework based on the five hypotheses above, as shown in Figure 1 below.

Figure 1

Research Concept Framework



2 METHOD

This research uses a quantitative approach because the collected data is analysed with the help of statistical programs. The population of this study involves 798 lecturers from private universities accredited as Excellent in Malang, Surabaya, and Jember, East Java, as well as Mataram, West Nusa Tenggara. A sample size of 245 was proportionally taken from each campus that met these criteria through a purposive sampling technique. The sample criteria consist of lecturers with an academic rank of at least Lecturer, a minimum of 10 years of work experience, and not being government employees.

Research data were obtained through the distribution of questionnaires containing question items from variable indicators as shown in Table 1. The 1-5 Likert scale is used to measure the research data scale with Strongly Disagree (SD). Score 1, Disagree (DS) Score 2, Neutral (N) Score 3, Agree (A) Score 4, and Strongly Agree (SA) Score 5.

Table 1

Measurement of research variable indicators

Latent Construct	Indicators
Reward System (X) referring to (Jovanovic & Matejevic, 2014).	Task autonomy (X1), with 4 question items
	Significance/meaning of the task (X2), with 2 question items
	Task involvement (X3), with 2 question items
Performance (Y1) referring to the Lecturer Workload Guidelines 2021 (Kepdirjendikti, 2021) and (Siraj & Hágen, 2023)	Performance in the field of education and teaching (Y1.1), with 6 question items
	Performance in the research field (Y1.2), with 6 question items
	Performance in the community service field (Y1.3), with 5 question items
	Performance in the supporting field of the lecturer's profession (Y1.4), with 4 question items
Job Satisfaction (Y2) refer and modify *job descriptive index* from Smith, *et.al* 1969 (Castanheira, 2014) and (Pelly, 2023)	Satisfaction with salary (Y2.1), with 2 question items
	Job satisfaction (Y2.2), with 2 question items
	Satisfaction with supervision (Y2.3), with 2 question items
	Satisfaction with promotion (Y2.4), with 2 question items
	Satisfaction with coworkers (Y2.5), with 2 question items
	Satisfaction with working conditions (Y2.6), with 2 question items

The researchers used statistical tools to process the research data. All research variables are valid and reliable, according to the results of the statistical tests. Next, Structural Equation Modelling-Partial Least Square (SEM-PLS) analysis is used to test the formed variable model. This is used to predict variables that affect job satisfaction.

3 RESULT

3.1 Respondent profile

Out of 260 respondents who were sent the questionnaire, only 245 completed the questionnaire form. The following Table 2 shows the characteristics of the research respondents.

Table 2

Characteristics of research respondents

Respondents Characteristics	Quantity	Percentage
Gender		
Male	138	56,3
Female	107	43,7
Agregate	**245**	**100**
Usia		
26 – 35	19	7,8
36 – 45	90	36,7
46 – 55	95	38,8
56 – 65	36	14,7
> 65	5	2
Agregate	**245**	**100**
Marital Status		
Not married yet	39	15,9
Married	181	73,9
Ever married	25	10,2
Agregate	**245**	**100**
Academic Functional Position		
Senior Lecture	152	53,9
Associate Professor	80	24,5
Professor	13	5,3
Agregate	**245**	**100**
Employment Duration		
< 10 years	21	8,6
11– 20 years	85	34,7
21 – 30 years	76	31
>30 years	63	25,7
Agregate	**245**	**100**

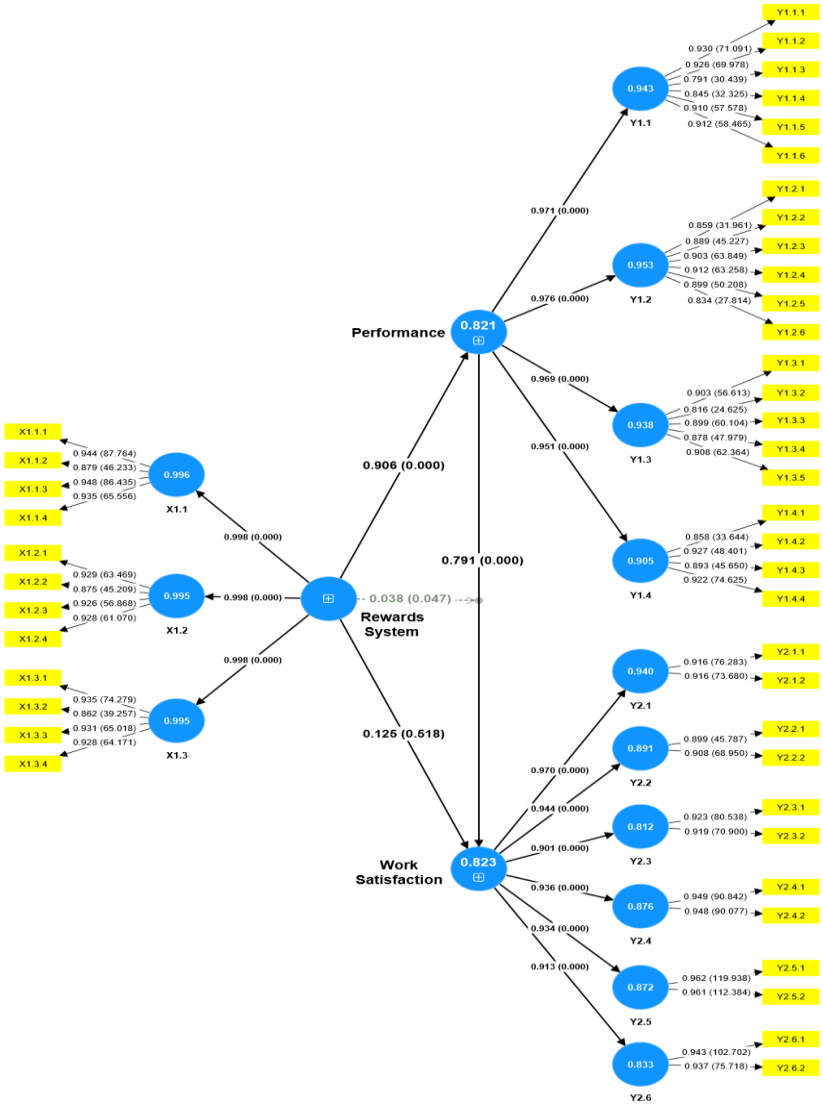
3.2 Statistical test results

3.2.1 Outer model measurement

According to Garron (2016), items that measure latent constructs must be valid if their loading factor is at least 0.70. Figure 2 shows the numbers on the line between the manifest and latent constructs. These numbers indicate that the manifest construct, or the latent construct, has the ability to calculate the latent construct, as its loading factor value is greater than 0.70.

Figure 2

Graphical Output of PLS-SEM Structural Model



Source: SmartPLS-4.0.9.6 Output – Author's Own

The research instrument used to measure each latent construct is considered valid if its validity is assessed based on the Average Variance Extracted (AVE) value, which must be greater than 0.5. Conversely, the Composite-Reliability (CR) value is only acceptable if it is greater than 0.8. The data found in Table 3 indicate that the Cronbach's Alpha and CR values for each latent construct meet the requirements.

Table 3

Validity-Reliability Test Result

Latent Constructs	Validity Test Result		Reliability Test Result			
	Average variance extracted (AVE)		Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	
Performance	0,737	Valid	0,982	0,982	0,983	Reliable
Reward System	0,840	Valid	0,983	0,983	0,984	Reliable
Work Satisfaction	0,756	Valid	0,971	0,971	0,974	Reliable

Source: SmartPLS-4.0.9.6 Output – Author Own

3.2.2 Inner model measurement

Measurements taken within the model determine the feasibility of the structural model. To evaluate the suitability of the model for this study, the R-squared value (coefficient of determination) and Goodness of Fit (GoF) were considered. Based on the established standards, the determination test creates three categories of the strength of the exogenous latent construct's influence on the endogenous construct (Chin, 1998, in Hair Jr., J.F., 2014). Regarding the influence of the reward system on performance, an R-squared value of 0.67 indicates a strong influence, a value of 0.33 indicates a moderate influence, and an R-squared value of 0.19 indicates a weak influence. The influence of the reward system and performance on job satisfaction is also relatively strong, with an R-squared value of 0.823. The Goodness of Fit (GoF) value can be calculated using the Tenenhaus formula. The minimum GoF value is 0.38 (Tenenhaus & Lauro, 2005 in Hair Jr., J.F., 2014), and the results show that GoF = √(AVE ×R^2), so the performance variable GoF = √(0.737×0.821) = 0.778 and the job satisfaction variable GoF = √(0.756×0.823) = 0.789. This indicates that the GoF value falls into the large category. This indicates that the structural model formed is acceptable.

3.3 Hypotheses test

The t-test is used to test research hypotheses. If the t-statistic value is greater than 1.96 and the p-value is less than 0.05, then the effect of the exogenous latent construct on the endogenous construct is significant. Endogenous and exogenous constructions are

influenced by path coefficients, or original samples (O). These values can change in a positive or negative direction. The results of the hypothesis testing for the PLS-SEM structural model are shown in Table 4. Path 1 has a performance of 0.906 Rewards System + e1, Path 2 has job satisfaction of 0.842 Rewards System + 0.791 Performance + 0.038 Rewards System*Performance + e2.

The influence of the reward system on overall job satisfaction has a path coefficient of 0.842 (0.125 as a direct effect and 0.717 as an indirect effect), and the influence of the reward system on performance has a path coefficient of 0.038. The role of the reward system significantly moderates the influence of performance on job satisfaction.

Table 4

Hypotheses Test Results

	Original sample (O)	**T statistics (|O/STDEV|)**	**P values**	**Supported/Rejected Hypotheses**
Latent Construct Level				
Rewards System -> Work Satisfaction	0,125	0,647	0,518	H1 Rejected (Positive Insignificant Effect)
Rewards System -> Performance	0,906	42,381	0,000	H2 Supported (Positive Significant Effect)
Performance -> Work Satisfaction	0,791	4,243	0,000	H3 Supported (Positive Significant Effect)
Rewards System -> Performance -> Work Satisfaction	0,717	4,150	0,000	H4 Supported (Complete Mediation)
Rewards System x Performance -> Work Satisfaction	0,038	1,988	0,047	H5 Supported (Positive - Pure Moderating)
Dimension Level				
Rewards System -> X1.1	0,998	**1586,464**	**0,000**	X1.1 is the dimension that best reflects the Reward System
Rewards System -> X1.2	0,998	1444,471	0,000	
Rewards System -> X1.3	0,998	1490,585	0,000	
Performance -> Y1.1	0,971	195,752	0,000	Y1.2 is the dimension that best reflects the Performance
Performance -> Y1.2	0,976	**240,648**	**0,000**	
Performance -> Y1.3	0,969	170,286	0,000	
Performance -> Y1.4	0,951	62,128	0,000	
Work Satisfaction -> Y2.1	0,970	**157,102**	**0,000**	Y2.1 is the dimension that best reflects the Work Satisfaction
Work Satisfaction -> Y2.2	0,944	98,880	0,000	
Work Satisfaction -> Y2.3	0,901	34,779	0,000	
Work Satisfaction -> Y2.4	0,936	86,034	0,000	
Work Satisfaction -> Y2.5	0,934	96,150	0,000	
Work Satisfaction -> Y2.6	0,913	51,848	0,000	

Source: SmartPLS-4.0.9.6 Output Modified by Authors

Statistical analysis shows that the reward system does not affect employee job satisfaction, with a path coefficient value of 0.125, a t-statistic value of 0.647 (<1.96),

and a p-value of 0.518 (> 0.05). These results do not support the first research hypothesis (H1). Meanwhile, the reward system affects employee performance with a path coefficient of 0.906, a t-statistic value of 42.381 (>1.96), and a p-value of 0.000 (<0.05). These results support the second research hypothesis (H2). Performance is also confirmed to affect job satisfaction, with a path coefficient of 0.791, a t-statistic value of 2.243 (>1.96), and a p-value of 0.000 (<0.05). These results support the third research hypothesis (H3). The indirect effect of the reward system on job satisfaction through performance is significant, with an indirect path coefficient of 0.717, a t-statistic value of 4.150 (>1.96), and a p-value of 0.000 (<0.05). These results support the fourth research hypothesis (H4). As a result, this indicates that performance serves as a perfect mediator between the relationship between job satisfaction and the reward system. In this case, the moderating role of the reward system on the relationship between performance and job satisfaction is indicated by a moderation coefficient of 0.038, a t-statistic value of 1.988 (>1.96), and a p-value of 0.047. These results support the fifth research hypothesis (H5). This result indicates that the right reward system will make lecturers better, and the better their performance, the more satisfied they are with their work.

However, based on the dimensions reflecting the latent construct, it is known that dimension X1.1 shows a reward system with the highest t-statistic value among the three dimensions, which is 1586.464. Dimension Y1.2 shows performance with a t-statistic value of 240.648, and dimension Y2.1 shows job satisfaction with a t-statistic value of 157.102.

4 DISCUSSION

4.1 The influence of the reward system on job satisfaction and the mediating role of performance

Based on the results of statistical analysis, it is known that the reward system does not directly affect job satisfaction (H1 is rejected). This indicates that even a good reward system does not automatically have a direct impact on faculty job satisfaction. This contradicts the theory (Herzberg, 1964), which concludes that there are several motivational and hygiene factors that cause employee dissatisfaction if they are absent. Conversely, if these factors are good enough, employees can feel satisfied with their

situation. Organizational policies, relationships with superiors, working conditions, relationships with colleagues, benefits, and job security are some sources of dissatisfaction.

In practice, employees are not always satisfied when given a compensation increase. This is because they tend to compare their compensation with that of other employees. This is consistent with equity theory (Adams, 1963), which states that a person will feel satisfied or dissatisfied with a situation, especially a work situation, depending on whether they feel it is fair. In this theory, a person will compare the input they provide with the results they obtain. The inputs provided can include effort, loyalty, commitment, expertise, skills, and more. A person can compare their inputs and outputs with others in their group, other groups, or outside the organization where they work.

The results of this study support the research by (Effect et al., 2011), which states that the reward system does not affect job satisfaction, and the research by (Tarigan, J. Cahya, A. Valentine, S. Hatane, 2022), which found that Generation Z is not always satisfied with just monetary incentives. However, these findings contradict the results of Kalleberg, (1977) research, which found that extrinsic rewards influence job satisfaction, as well as the findings of research (Javed & Ahmed, 2012), which showed that both intrinsic and extrinsic rewards affect job satisfaction. Additionally, the findings of research (Lotunani et al., 2014), (Yusri, 2020), (Foenay et al., 2020), (Tobing, 2016), (Siahaan, 2017), (Wijaya, 2021), and (Siregar et al., 2023) stated that the reward system significantly influences job satisfaction. Similarly, the research findings of Beck-Krala et al. (2017) indicate that employee satisfaction levels are influenced by the amount of recognition they receive.

The hypothesis testing results also show that performance acts as a complete mediator of the relationship between the reward system and job satisfaction (H4 is accepted). In this case, the reward system will have a significant impact on job satisfaction if there is support from Performance (Taba, 2018). With the right reward system, lecturers will be more diligent in their work, and the better their performance, the more satisfied they will be with their jobs. In this context, performance acts as a mediator because the reward system can influence performance, which in turn affects job satisfaction levels. When lecturers feel valued and receive appropriate recognition for their contributions, they tend to feel more motivated to work well. This can improve their overall performance. Therefore, although performance can be a mediator of the influence of

reward systems on employee job satisfaction, other factors must also be considered to gain a more complete understanding of the relationship between reward systems, performance, and employee job satisfaction.

This result supports previous research (Fathorrahman 2017) which found that performance mediates the influence of commitment and rewards on job satisfaction. Additionally, research (Taba, 2018) concluded that work performance acts as a mediating variable bridging the relationship between the extrinsic reward system and the intrinsic reward system to work satisfaction.

4.2 The influence of the reward system on performance

Based on the statistical analysis results above, it is known that the reward system has a significant direct impact on lecturer performance (H2 is accepted). This means that a good reward system will be able to improve lecturer performance, while a poor reward system will decrease lecturer performance. Lecturers who feel their recognition is commensurate with their contributions will be motivated to work better. This finding is consistent with expectancy theory by Vroom (1964).

The results of this study support the research by (Fachiroh & Suratman, 2023), (Panca et al., 2019), (Hukubun et al., 2020), (M.Trihudiyatmanto & Sukardi Sukardi, 2023), (Siahaan, 2017), and (Susila, 2023), which concluded that both compensation and reward systems significantly influence performance. However, these findings do not support the research by Wijaya (2021); Nadiyya & Rini (2023), which concluded that the reward system does not affect performance, and the research by Taba (2018), which found that the extrinsic reward system and the intrinsic reward system have no direct effect on work performance.

4.3 The influence of performance on job satisfaction and the moderating role of the reward system

Based on the statistical analysis results above, it is known that performance significantly affects faculty job satisfaction (H3 is accepted). This means that well-performing lecturers usually also have high job satisfaction, while poorly performing lecturers have low job satisfaction. High performance can increase their job satisfaction,

as lecturers feel their achievements are recognized and valued by the organization. These results support previous research (Fathorrahman, 2017) and (Stirpe et al., 2022), which stated that performance affects job satisfaction, and research (Taba, 2018), which concluded that work performance has a direct, significant effect on work satisfaction. However, this does not support the research (Lotunani et al., 2014), which found that government employees' job satisfaction is not influenced by their performance.

Meanwhile, hypothesis testing of the moderating role of the reward system showed that the reward system strongly moderates the relationship between performance and job satisfaction (H5 accepted). This means that high faculty performance does not automatically lead to higher job satisfaction. However, well-performing faculty will have higher job satisfaction if the university can implement an appropriate reward system (Porter, L.W. and Lawler, 1968). Conversely, if the university cannot implement an appropriate reward system, the job satisfaction of well-performing faculty will decrease.

In human resource management, an interesting topic is the moderation of the reward system on the influence of performance on job satisfaction. This refers to how certain factors can change how reward systems, such as bonuses, incentives, and recognition for good performance, affect employee satisfaction levels. The influence of reward systems varies depending on the employee's performance level. For example, a competitive reward system might be more suitable for moderately or poorly performing employees, while a reward system focused on personal development might be more suitable for moderately or highly performing employees. Additionally, it also depends on the perceived fairness of the rewards (Adams, 1963). For example, if rewards are very fair, then performance will translate more strongly into job satisfaction. Conversely, if rewards are unfair, an increase in performance may not be accompanied by a significant increase in job satisfaction.

The results of this study are consistent with the research by Porter, L.W. and Lawler (1968), who concluded that reward systems (both extrinsic and intrinsic) moderate the relationship between performance and job satisfaction. Another study by Pritchard (1973) found that a high-instrumentality pay system would have a positive relationship between performance and job satisfaction, while a low-instrumentality system would have zero correlation. However, this finding differs from the study by Lotunani et al. (2014), which concluded that the reward system does not moderate the influence of performance on government employees' job satisfaction.

5 CONCLUSION

This study aims to determine how the reward system affects job satisfaction and performance, as well as the influence of performance on job satisfaction. Additionally, it aims to understand the mediating role of performance and the moderating role of the reward system. The research findings conclude that first, the reward system does not directly affect job satisfaction, but it has a direct impact on performance, and the reward system moderates the influence of performance on job satisfaction. Second, performance directly affects job satisfaction, and performance acts as a full mediating variable for the influence of the reward system on job satisfaction. This study can strengthen Porter and Lawler's theory that high performance does not automatically increase job satisfaction if not accompanied by a good and fair reward system. A fair, transparent, and performance-based reward system not only increases faculty productivity but also strengthens the relationship between high performance and job satisfaction.

The practical implication of this research is the need for educational institutions to review their reward policies, not only in financial terms, such as allowances and bonuses, but also non-financial ones like academic awards, research opportunities, and professional recognition. Additionally, there needs to be an objective evaluation mechanism to ensure that each award truly reflects the lecturer's real contribution to the institution.

The researchers recognized a limitation of this study: the questionnaire was distributed online using Google Forms, so they could not ensure the respondents' answers were true and original. The researchers suggested that future studies could send the questionnaire directly to respondents and conduct in-depth interviews for questions that might require further clarification.

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Authors' Contribution

All authors contributed equally to the development of this article.

Data availability

All datasets relevant to this study's findings are fully available within the article.

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