The Effect of Rewards and Sanctions on Employee Performance: The Mediating Role of Work Motivation in BKD Purwokerto Micro Finance

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Abstract. This study aims to examine the effect of rewards and sanctions on employee performance, with work motivation serving as a mediating variable. The research was conducted at BKD Purwokerto Microfinance in Banyumas District, Central Java, Indonesia, using a quantitative approach and the Partial Least Squares Structural Equation Modeling (PLS-SEM) method. The sample consisted of 85 employees, representing the entire population at the institution. The results reveal that rewards significantly and positively influence both work motivation and employee performance. While sanctions do not significantly affect work motivation, they do exhibit a positive effect on employee performance. Moreover, work motivation significantly influences employee performance and partially mediates the relationship between rewards and performance. The findings imply that BKD Purwokerto Microfinance should prioritize developing fair and transparent reward systems and motivation-enhancing strategies, while carefully reviewing the role of sanctions to avoid counterproductive effects on morale.

Keywords: Rewards, Sanctions, Work Motivation, Employee Performance, PLS-SEM

1 Introduction

Employee performance is a critical benchmark for achieving organizational goals. In today's highly competitive and rapidly changing business environment especially in the post-pandemic era enhancing performance has become a major challenge for human resource managers. The COVID-19 pandemic has reshaped workforce expectations, increased the importance of psychological well-being, and highlighted the need for adaptive motivation strategies. Consequently, rewards and sanctions must now be evaluated not only for their financial or disciplinary value but also for their psychological and behavioral impacts on employees.
BKD Purwokerto Micro Finance, a rural microfinance institution in Central Java, Indonesia, has experienced inconsistent performance over the past five years (see Table 1). This trend highlights an urgent need for improvements in human resource management, particularly in employee motivation. Specifically, the research seeks to answer: How do reward and sanction mechanisms

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influence employee performance, and to what extent does work motivation mediate this relationship in the context of a microfinance institution recovering from post-pandemic challenges?

Motivational tools such as rewards and sanctions are often employed to enhance performance, but their effectiveness may depend heavily on employees' intrinsic motivation and perceptions of fairness. Recent HR literature (e.g., Hanoum et al., 2024; Indrawati et al., 2023) emphasizes the importance of personalized rewards, hybrid work arrangements, and positive reinforcement post-pandemic to maintain morale and productivity. At the same time, punitive approaches have been increasingly questioned for their long-term efficacy and potential to damage organizational culture.

This research is grounded in multiple theoretical frameworks: Maslow's (1943) hierarchy of needs explains how rewards contribute to self-actualization; Skinner's (1953) reinforcement theory highlights the impact of positive and negative stimuli on behavior; and Locke and Latham's (1990) goal-setting theory links clarity and challenge of goals to motivation and performance.

These theories are applied to the context of BKD Purwokerto Microfinance to determine whether traditional motivational tools are still effective or need adaptation in a post-pandemic workforce environment.Accordingly, the study aims to analyze the influence of rewards and sanctions on employee performance, with work motivation acting as a mediating variable. The findings are expected to provide practical implications for BKD Purwokerto Microfinance's management in developing evidence-based, context-sensitive HR strategies that reflect current challenges and opportunities in the microfinance sector.

Table 1. Performance Results of BKD Purwokerto Microfinance 2020 - 2024

Year	2020	2021	2022	2023	2024
Performance Results	104.16	89.94	51.89	111.72	69.21

Source: LKM BKD Purwokerto Archives 2024

According to the annual performance reports of BKD Purwokerto Microfinance from 2020 to 2024 (see Table 1), the company's performance has fluctuated significantly, reflecting instability. To address this, increasing employee motivation by 2025 is deemed essential to improving performance across various units and optimizing the institution's contribution to the local economy.

This research is grounded in several theoretical frameworks. Maslow's (1943) hierarchy of needs posits that rewards contribute to self-actualization and increase motivation. Skinner's (1953) reinforcement theory highlights the role of rewards and punishments in shaping behavior. Locke and Latham's (1990) goal-setting theory links goal clarity with employee motivation and performance.

This study therefore aims to analyze the influence of rewards and sanctions on employee performance, with work motivation acting as a mediating variable. The findings are expected to guide the management of BKD Purwokerto Microfinance in developing evidence-based strategies to enhance employee productivity.

2 Literature Review and Hypothesis Development

2.1 Literature Review

Rewards are forms of compensation granted by organizations to employees in recognition of their contributions or achievements. Hasibuan (2014) categorizes rewards into financial rewards (e.g., salaries, bonuses) and non-financial rewards (e.g., recognition, promotions). Properly administered rewards can enhance work motivation, increase job satisfaction, and foster employee loyalty.

Sanctions refer to disciplinary measures or corrective actions imposed on employees for violations or non-compliance. According to Sutrisno (2012), sanctions are intended to create a deterrent effect and instill work discipline. However, if not implemented fairly and consistently, sanctions may lead to resistance and lower morale.

Work motivation is defined as the internal and external forces that drive individuals to perform tasks. Robbins and Judge (2015) note that motivation is associated with the direction, intensity, and persistence of behavior. Motivation is influenced by factors such as rewards, the work environment, leadership style, and task clarity.

Employee performance refers to the degree to which employees fulfill their tasks in accordance with organizational objectives. Wibowo (2016) defines performance in terms of quality, quantity, timeliness, and teamwork. Performance is influenced by multiple factors, including ability, motivation, and recognition.

The theoretical underpinnings of this study are supported by Maslow's (1943) concept of self-actualization, Skinner's (1953) theory of reinforcement, and Locke and Latham's (1990) theory of goal-setting. Prior research by Sari (2019), Priyono (2018), and Astuti (2017) supports the positive relationship between rewards and performance. Nevertheless, studies by Lestari & Muslihat (2023) and Ismah et al. (2023) show varying results, necessitating further investigation.

2.2 Research Hypothesis

H1: Rewards positively influence work motivation.

Reward systems fulfill psychological eeds such as appreciation and self actualization (Maslow, 1943), there by increasing work motivation. Empirical studies have shown that both financial and nonfinancial reward senhanc eemploye emotivation.

H2: Sanctions positively influence work motivation.

Sanctions aim to correct undesirable behavior (Skinner, 1953).When implemented fairly, they can promote discipline and indirectly strengthen motivation, although their effectiveness may vary depending on organizational culture.

H3: Rewards positively influence employee performance.

Rewards encourage employees to meet organizational goals by reinforcing desirable behavior (Locke & Latham, 1990). They can enhance morale, which often translates into improved performance.

H4: Sanctions positively influence employee performance.

Sanctions may improve performance by enforcing discipline and increasing awareness of organizational standards.However, their impact depends on employees' perceptions of fairness and the work environment.

H5: Work motivation positively influences employee performance.

Motivated employees are more focused, productive, and committed. Motivation acts as a key driver in achieving higher performance levels.

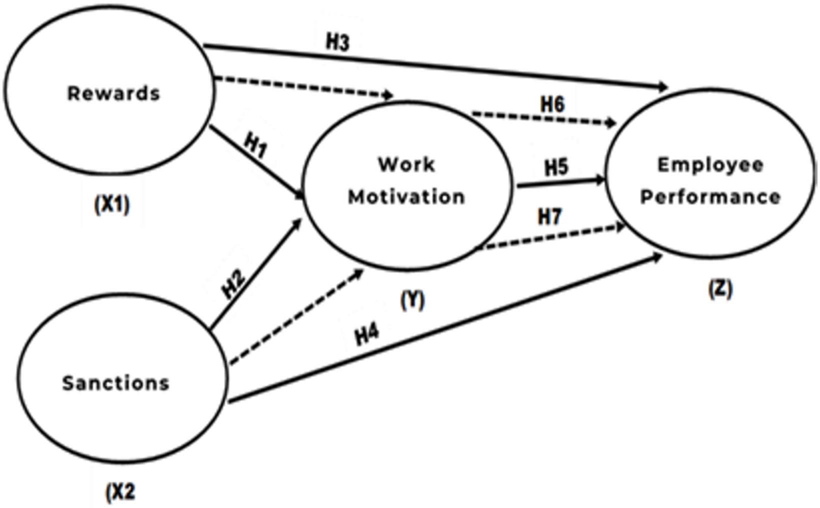
H6: Work motivation mediates the relationship between rewards and employee performance.

Rewards boost motivation, which then leads to improved performance. Thus, motivation functions as a pathway through which rewards affect performance outcomes.

H7: Work motivation mediates the relationship between sanctions and employee performance.

Sanctions may trigger behavioral changes that, through increased motivation, improve performance—assuming the sanctions are seen as fair and constructive.

Based on theory And study previously so The relationship between the independent variable and the dependent variable can be described as follows :



Source: Author's Work

Fig. 1. Research Model

Table 2. Summary of Previous Findings by Variable

Variable Relationship	Key Studies	Summary of Findings
Rewards → Work Motivation	Manik & Siahaan (2021); Ismah et al. (2023); Lestari & Muslihat (2023)	Rewards significantly improve motivation through recognition and incentives.
Sanctions → Work Motivation	Lestari & Muslihat (2023); Hafizha Asri (2024)	Mixed results; effective when perceived as fair and corrective.
Rewards → Employee Performance	Ervina et al. (2023); Ismah et al. (2023)	Can enhance performance when mediated by motivation.
Sanctions → Employee	Djonu et al. (2023); Lestari & Muslihat (2023)	Context-dependent; may improve performance through discipline.

Performance		
Work Motivation → Employee Performance	Andilah et al. (2024); Indrawati et al. (2023)	Strong positive correlation with better outcomes.
Rewards → Motivation → Performance	Manik & Siahaan (2021); Ismah et al. (2023)	Motivation mediates rewards and performance relationship.
Sanctions → Motivation → Performance	Lestari & Muslihat (2023); Putera (2022)	Weak mediation; excessive sanctions reduce motivation.

3 Research methods

This study employed the Partial Least Squares Structural Equation Modeling (PLS-SEM) technique using SmartPLS 4.0 software. PLS-SEM was selected because it is well-suited for small to medium sample sizes and does not require data normality. It is also preferred for exploratory or predictive models and for analyzing complex relationships involving mediation Hair et al., (2022). Given the sample size of 85 and the model's focus on latent variables and mediation effects, PLS-SEM provides greater robustness compared to traditional regression or covariance-based SEM.

The research instrument was a structured questionnaire using a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). The items for each construct (rewards, sanctions, work motivation, and employee performance) were adapted from previously validated instruments in the literature. Items for rewards and sanctions were adapted from Hasibuan (2014) and Sutrisno (2012), while items for work motivation were based on Robbins and Judge (2015). Employee performance items referred to Wibowo (2016). Minor modifications were made to adjust the wording for the organizational context of BKD Purwokerto Microfinance.

The total sample consisted of 85 employees, which represents the full population of staff at BKD Purwokerto Microfinance. According to Hair et al. (2022), the minimum sample size for PLS-SEM should be 10 times the maximum number of structural paths directed at any construct. In this study, the most complex construct (employee performance) has three predictors, thus requiring at least 30 respondents. The sample size of 85 is therefore considered sufficient and appropriate.

This research followed ethical guidelines for social science research. All participants received a cover letter explaining the study's purpose, their rights as participants, and assurance of confidentiality. Participation was voluntary, and informed consent was obtained electronically prior to completing the questionnaire. Respondents were also assured that their responses would remain anonymous and would be used strictly for academic purposes.This study will explain the relationship between the variables being studied, namely the influence of reward and sanction variables on employee performance variables, with work motivation variables as mediating variables. A quantitative approach is used because the data used to analyze the influence between variables are expressed in numbers based on a questionnaire given to respondents, namely employees of BKD Purwokerto Microfinance.

This study uses four main variables, namely Rewards (X1), Sanctions (X2), Work

Motivation (Y) as mediating variables, and Employee Performance (Z) as dependent variables. The research instrument is a questionnaire with a Likert scale of 1–5. The data analysis technique uses PLS-SEM with the help of SmartPLS 4.0 software. Instrument validity testing is carried out through outer model analysis (loading factor, AVE, composite reliability). Hypothesis testing uses an inner model with t-statistic, p-value, and VAF indicators for mediation testing.

4 Research result

4.1 Respondent Profile

This study used 85 respondents, all employees working at BKD Purwokerto Microfinance with a work period of more than 6 months. To provide a clear demographic overview, the respondents were categorized based on gender, age, education level, length of work experience. Based on gender, the results were that male respondents represented a slight majority, namely 51 men (60%), while female respondents were 34 female (40%). Based on age, the majority of respondents 43 people (50,6%) were between 48-58 years old, 6 people (7.1%) were under 25 years old, aged 26 – 36 years 5 people (5.9%), and aged 37 – 47 years old 31 people (36.5%). Based on education level , senior high school 62 people (72.9%), Diploma (D3) 18 people (21.2%), Bachelor (S1) 5 people (5.9%) . Based on work experience, length of work experience < 5 years 24 people (28.2%), 5 – 10 years 35 people (41.2%), 10 years 26 people (30.6%) .

4.2 Descriptive Analysis

The Work Motivation Variable (Z) has the highest average value, namely 4.22, with the highest statement in the statement item " I feel responsible for the results of my work " with a value of 4.35.

The Employee Performance Variable (Z) has the lowest average value of 3.99 with the lowest statement in the statement item "Work Motivation Variable (Z) has the highest average value of 4.22 with the highest statement in the statement item " I feel responsible for the results of my work " with a value of 4.35 "with a value of 3.89.

4.3 Data analysis

Convergent Validity Test

Convergent validity is assessed by examining the Average Variance Extracted (AVE), where a value of ≥ 0.50 indicates adequate validity (Hair et al., 2019).

Table 3 Convergent Validity Test of AVE Values

Variables	AVE value
Rewards (X1)	0.679
Sanction (X2)	0.708
Work Motivation (Z)	0.679
Employee Performance (Y)	0.751

Source: Primary data processed 2025

All variables have AVE values above 0.50, indicating that each construct has good convergent validity.

Reliability Test

Reliability was tested using Cronbach's Alpha and Composite Reliability (CR). A construct is considered reliable if Cronbach's Alpha ≥ 0.70 and CR ≥ 0.80 (Sekaran, 2014)

Table 4. *Cronbach's Alpha* and *Composite Reliability* Values

No	Variables	*Cronbach's Alpha*	*Composite Reliability*	Information
1	Rewards (X1)	0.842	0.894	Reliable
2	Sanction (X2)	0.796	0.878	Reliable
3	Work Motivation (Z)	0.842	0.894	Reliable
4	Employee Performance (Y)	0.890	0.923	Reliable

Source: Primary data processed 2025

All variables meet the threshold values, confirming that the measurement instruments used are reliable.

Output Results *Outer Model*

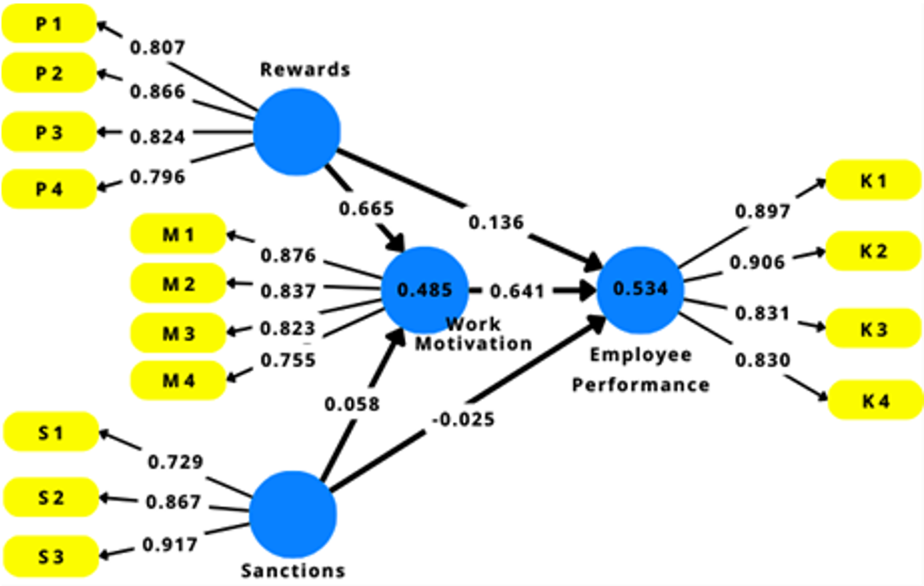


Fig. 2. Outer Model

Predictive Relevance Test (Q2)

The Q^2 test is used to evaluate the model's predictive relevance. According to Hair et al. (2022), Q^2 values of 0.02, 0.15, and 0.35 indicate weak, moderate, and strong predictive relevance, respectively.

Table 5. *Q-Square Predictive Relevance*

No	Variables	SSO	SSE	Q^2 (1-SSE/SSO)
1	Rewards (X1)	55,483	26,673	0.519
2	Sanction (X2)	52,646	33,979	0.355
3	Work Motivation (Z)	63,125	32,039	0.492
4	Employee Performance (Y)	54,671	17,563	0.679

Source: Primary data processed 2025

All Q^2 values exceed 0.35, indicating strong predictive relevance of the model. This suggests that the model not only fits the data well but also has high capability in predicting outcomes.

Analysis test *R-Square (R^2)* or Coefficient of Determination

In PLS-SEM analysis, *R-Square (R^2)* indicates how much the independent variable explains the dependent variable. The higher the R^2 value, the more valid the results. The following *R-Square (R^2) values* in this study are given with parameters of 0.75 (strong), 0.50 (moderate), and 0.25 (weak).

Table 6. *R-Square (R^2)* Values

No	Variables	*R Square*	*R Square Adjusted*
1	Employee performance	0.534	0.517
2	Work motivation	0.485	0.473

Source: Primary data processed 2025

The R^2 value of 0.534 for employee performance implies that 53.4% of the variation in performance can be explained by the combined effect of rewards, sanctions, and work motivation. This reflects a moderate to substantial explanatory power in the organizational context.Similarly, an R^2 of 0.485 for work motivation indicates that rewards and sanctions account for 48.5% of the variance in employees' motivation.

These results indicate that 53.4% of the variance in employee performance is explained by rewards and sanctions, and 48.5% of the variance in work motivation is explained by rewards and sanctions.

Hypothesis Test Results

Hypothesis testing in this study was conducted using the Partial Least Square Structural Equation Modeling (PLS-SEM) method with the assistance of SmartPLS 4.0 software. This test covers both direct and indirect (mediation) influences between the research variables, namely rewards, sanctions, work motivation, and employee performance.

4.4 Results of direct hypothesis testing

Table 7. Hypothesis Testing Results

Hyp.	Relationship	*Original*	*T Statistik*	*P Value*	Note

	Variable	*Sample (O)*	*(|O/STDEV|)*		
H1	Rewards => Work Motivation	0,665	7.754	0.000	Accepted
H2	Sanctions => Work Motivation	0,058	0,639	0.261	Rejected
H3	Rewards => Employee Performance	0,136	1.133,00	0,129	Rejected
H4	Sanctions => Employee Performance	-0,025	0.243	0.404	Rejected
H5	Work Motivation => Employee Performance	0.641	6.902	0.000	Accepted

Source: Primary data processed 2025

From these results it can be concluded that :

Rewards have a positive and significant effect on work motivation (H1 is accepted), and work motivation has a significant effect on employee performance (H5 is accepted).

The direct effect of rewards and sanctions on employee performance was insignificant (H3 and H4 were rejected). Furthermore, sanctions also had no significant effect on work motivation (H2 was rejected).

4.5 Results of indirect hypothesis testing

A mediation test was conducted to determine whether work motivation could mediate the relationship between rewards and sanctions on employee performance. The results are presented in Table 8 below:

Table 8. Mediation Test Results

Hyp.	Relationship Variable	Coefficientt Value β	T-Statistik (|O/STDEV|)	P Value	VAF	Note
H6	Rewards => Work Motivation => Employee Performance	0.426	5.197	0.000	0.351372	Accepted
H7	Sanctions => Work Motivation => Employee Performance	0,037	0,624	0,266	0.117092	Rejected

Source: Primary data processed 2025

Based on the results of the calculations in table 7 above, the status of hypothesis six and

hypothesis seven can be seen with the following description:
The relationship between the reward variable and the employee performance variable through the work motivation variable has a β coefficient value of 0,665 (positive value) and a probability value (*ρ Value*) of 0.000 <0,05 (hypothesis accepted) and a VAF value of 0,351372>0,2.
The relationship between the sanction variable and the employee performance variable through the work motivation variable has a β coefficient value of 0,058 (positive value) and a probability value (ρ Value) of 0,266 <0,05 (Hypothesis Rejected) and a VAF value of 0,117092 <0,2.
Output Results *Inner Model*

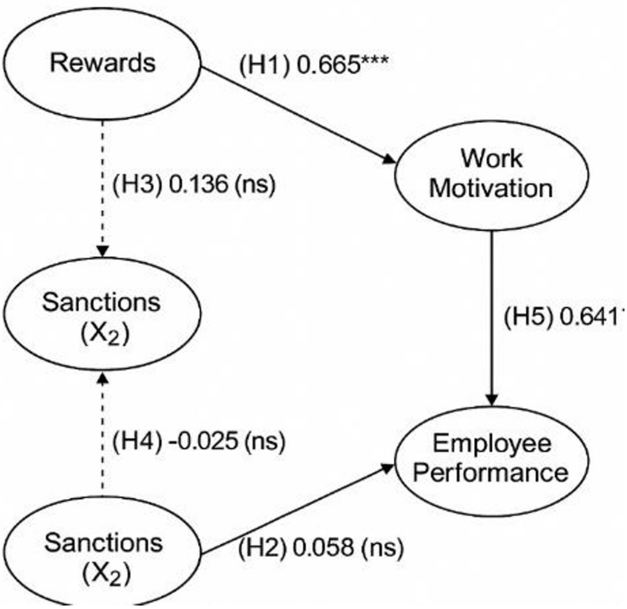


Fig 3. Inner Model with Standardized Path Coefficients

Structural Inner Model with Standardized Path Coefficients. Solid arrows indicate significant paths ($p < 0.05$); dashed arrows indicate non-significant paths.

5 Discussion

The results of the study indicate that rewards have a positive and significant effect on work motivation, with a path coefficient of 0.665, a t-statistic of 7.754 (>1.96), and a p-value of 0.000 (<0.05). This confirms that providing incentives and recognition encourages employees to be more motivated in completing their tasks. This finding aligns with Herzberg's Two-Factor Theory, which asserts that rewards are motivational factors that drive internal satisfaction. It also supports previous studies by Ismah et al. (2023) and Lestari & Muslihat (2023), which found that rewards enhance employee motivation and performance.

Contrary to expectations, the effect of sanctions on work motivation was found to be insignificant (β = 0.058; t = 0.639; p = 0.261). This suggests that sanctions, although intended to discipline employees, may not function as motivational drivers within the organizational context of BKD Purwokerto Microfinance. Employees may perceive sanctions as organizational pressure rather than corrective stimuli. This finding supports the view that negative reinforcement is less effective in stimulating performance (Putera, 2022).

The direct effect of rewards on employee performance was not statistically significant (β = 0.136; t = 1.133; p = 0.129). Although rewards may contribute to employee satisfaction, they do not automatically translate into improved performance unless accompanied by internal motivation. This implies that rewards alone, without intrinsic drive, are insufficient to generate optimal performance outcomes.

Similarly, sanctions were found to have no significant effect on employee performance (β = -0.025; t = 0.243; p = 0.404). The negative direction of the relationship suggests that punitive actions may even hinder performance by creating a stressful work environment. This echoes concerns in the literature about the counterproductive effects of excessive or poorly implemented sanctions.

Work motivation has a strong and significant effect on employee performance (β = 0.641; t = 6.902; p = 0.000). This confirms that motivated employees tend to be more productive, efficient, and committed to achieving their targets. These findings are consistent with those of Andilah et al. (2024), Indrawati et al. (2023), and Lurekke & Ferinia (2023), who emphasize that motivation is a key determinant of performance outcomes.

Work motivation partially mediates the relationship between rewards and employee performance, with a Variance Accounted For (VAF) of 35.1%. This implies that the impact of rewards on performance is more pronounced when rewards enhance employees' internal drive. This mediating model highlights the importance of establishing motivational pathways alongside external incentives to achieve significant performance improvements.

Motivation did not significantly mediate the relationship between sanctions and performance, as indicated by a VAF of only 11.7%. This result suggests that sanctions do not create a strong motivational leverage to indirectly affect performance. Therefore, the organization should reconsider its reliance on punitive methods as a strategy for performance improvement.

The ineffectiveness of sanctions in influencing work motivation at BKD Purwokerto Microfinance may reflect a perceived lack of procedural fairness or a punitive organizational culture. In such an environment, sanctions are often interpreted as coercive measures rather than corrective tools. This can erode trust between management and employees, ultimately weakening commitment and engagement. Especially in financial institutions, which rely heavily on trust, integrity, and compliance, sanction-based management may backfire if not implemented with clarity and transparency.

The significant effect of rewards on work motivation emphasizes the need for a structured, transparent, and fair reward system. In line with modern HRM practices in the financial sector, organizations should adopt a performance-based reward strategy that recognizes both tangible and intangible contributions. For instance, regular performance evaluations tied to measurable outcomes, combined with verbal recognition or career development opportunities, can enhance motivation and job satisfaction.

Motivation is proven to be a key mediator between rewards and employee performance. This highlights that rewards alone are insufficient to drive performance unless they activate intrinsic motivation. Thus, management should prioritize integrated strategies that foster both extrinsic and intrinsic motivational drivers. These may include personalized development programs, coaching, and meaningful work assignments that align with individual goals and organizational vision.

The study also suggests that sanctions, when not coupled with constructive feedback or developmental guidance, fail to motivate and may even reduce performance. This finding calls for a shift in HRM strategies from punitive approaches toward developmental and participatory models. In financial institutions, this may involve the use of positive reinforcement, mentorship programs, and open communication channels to promote accountability and self-improvement.

Unlike studies by Lestari & Muslihat (2023) and Hafizha Asri (2024), which found that sanctions could improve motivation and performance through increased discipline, the current findings suggest no significant effect of sanctions. This indicates that the effectiveness of sanctions may be highly context-dependent, influenced by organizational culture, leadership style, and employees' perceptions of fairness.

Consistent with Manik & Siahaan (2021) and Ismah et al. (2023), this study supports the positive relationship between rewards and motivation. However, in contrast to those studies, the direct effect of rewards on performance was not significant in this context. Instead, motivation acts as a crucial mediating variable. This reinforces the theoretical assertion that motivational processes are essential in translating rewards into tangible performance outcomes.

In agreement with Putera (2022), who warned about the counterproductive effects of poorly implemented sanctions, this study shows that sanctions may not enhance performance and could contribute to stress and disengagement if applied inconsistently or without clarity. This underscores the importance of feedback-oriented and supportive disciplinary systems.

6 Conclusion and Suggestions

6.1 Conclusion

The results of this study show that rewards have a positive and significant effect on employee work motivation. The higher the perceived rewards, the greater the motivation exhibited by employees. Sanctions, on the other hand, do not have a significant effect on motivation, suggesting that punitive measures are not effective tools for motivating staff. Neither rewards nor sanctions were found to have a significant direct effect on employee performance. However, work motivation significantly and positively influences performance, indicating its central role as a performance driver. Furthermore, work motivation partially mediates the relationship between rewards and performance, but does not mediate the relationship between sanctions and performance

6.2 Research Limitations

The scope of the research is limited, the research was only conducted at one institution namely BKD Purwokerto Microfinance so the results cannot necessarily be generalized to other institutions or organizations. The number of respondents was relatively limited at 85 people , which was the total population at the research location, but was still limited to produce statistically strong generalizations. The limited number of variables means this study focuses only on rewards, sanctions, work motivation, and performance. Other potentially influential variables, such as the work environment, leadership, and organizational culture, have not been examined.

6.3 Suggestions

Based on the findings of this study, several practical recommendations are proposed for improving employee performance at BKD Purwokerto Microfinance and similar financial institutions:

Implement Performance-Based Incentive SchemesManagement is encouraged to develop and implement a transparent, fair, and structured performance-based incentive system. Such a system should reward not only the achievement of quantitative targets but also qualitative contributions such as teamwork, initiative, and problem-solving. Aligning rewards with measurable outcomes can significantly boost employee motivation and engagement.

Replace Punitive Sanctions with Developmental Feedback MechanismsRather than relying on punitive sanctions, the organization should adopt constructive disciplinary approaches. This includes providing timely feedback, setting clear performance expectations, and offering coaching or mentoring to guide improvement. Development-oriented feedback promotes a culture of learning and continuous growth, which is particularly important in high-trust environments like financial institutions.

Foster Employee Participation in Motivation Strategy DesignEmployees should be actively involved in the formulation and evaluation of motivation strategies. Conducting regular surveys, focus group discussions, or suggestion forums can help capture employees' needs and preferences. Participatory decision-making enhances psychological ownership, increases the relevance of HR initiatives, and strengthens organizational commitment.

Invest in Holistic Employee Development ProgramsIn addition to financial rewards, the organization should invest in training programs, career development plans, and well-being initiatives. These non-monetary factors are crucial for stimulating intrinsic motivation and sustaining long-term performance.

By implementing these recommendations, BKD Purwokerto Microfinance can foster a more motivated, committed, and high-performing workforce aligned with its organizational goals.

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