

Motivation And Job Commitment's Role In Project Bonuses And Employee Performance

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Abstract: This article investigates the mechanism underlying the relationship between project bonuses and employee performance by mediating employee motivation and organisational commitment. It is based on two main theories: Maslow's needs theory, which explains motivation, and organisational commitment theory.

Keywords: Organisational Commitment; Project Bonus; Employee Motivation; Employee Performance.

Abstrak: Artikel ini memiliki tujuan untuk menyelidiki mekanisme yang mendasari hubungan antara bonus proyek dan Kinerja Karyawan melalui mediasi motivasi karyawan dan Komitmen Organisasi yang berpijak pada dua teori utama yaitu Teori kebutuhan Maslow yang menjelaskan mengenai motivasi dan teori komitmen organisasi.

Kata Kunci: Bonus Proyek; Motivasi Karyawan; Komitmen Organisasi; Kinerja Karyawan.

INTRODUCTION

Organisations worldwide are often pressured to achieve optimal performance during intense business competition (Salmon et al., 2023). Achieving this goal requires a deep understanding of the factors influencing employee performance, which is one of the most valuable assets for the organisation. Employees must pay attention to their functions and organisational activities as human resources. Human resource management is used to develop and optimise their capabilities and performance. Human resource planning is one of the most critical points in human resource management.

Employee performance has a vital role in improving the company's overall performance. Employee performance is directly involved in carrying out organisational and agency activities. Therefore, organisations and agencies must pay maximum attention to employees, both in terms of the quality of knowledge and skills and the level of welfare, so that they are encouraged to provide all abilities as needed (Schabram et al., 2023).

Employee performance is crucial to a company's success, reflecting the quality and quantity of work employees achieve in fulfilling their responsibilities (Chen & Cuervo, 2022). Employees who perform well are expected to meet their job expectations effectively. Maslow's hierarchy of needs provides a valuable framework for managing employees by addressing their fundamental human needs. Leaders and managers can utilize this hierarchy in their strategic and operational planning to foster a positive work environment and boost employee motivation. According to (Bagas, 2020), Maslow's theory highlights that employee performance significantly impacts the company, necessitating efforts to motivate employees to excel in their roles.

This has become one of the strategies companies can use to motivate employees: the



provision of project bonuses (Hossard et al., 2022). Project bonuses are a form of reward given to employees for contributing to completing the project successfully. The purpose of awarding a project bonus is to stimulate employee motivation. Could you encourage them to perform better? And thus. Improve the overall performance of the organisation. Motivation theory reinforces this concept, recognising the importance of incentives and rewards in improving individual performance. However, project bonuses have great potential for improving employee performance. Research (Nurrohmat & Lestari, 2021) states that work bonus wages do not fully affect employee productivity, so the question arises: What should be done so that project bonuses can improve employee performance? This research gap in this study must be addressed.

This research develops a model using motivation and organisational commitment as critical variables. It is based on the rationale that increasing project bonuses will boost employee motivation, enhance their commitment to the organisation, and ultimately lead to improved employee performance. Observations at the RST Company office revealed several issues related to Employee Performance, including the inability of employees to complete tasks on time and a lack of cooperation, particularly between divisions.

This article's novelty is exploring the mediating roles of employee motivation and organisational commitment in the relationship between project bonuses and employee performance, using RST Company as a case study. Unlike previous research, which often concentrated solely on the direct effects of project bonuses on employee productivity, this study examines how motivation and organisational commitment mediate this relationship. This approach addresses the research gap regarding the inconsistent effects of Project Bonuses on employee productivity, offering a more comprehensive understanding of the underlying dynamics.

Additionally, this research leverages real-world data from RST Company to ground its findings in practical application. This setting allows for the observation of real-time responses to project bonuses, offering insights directly applicable to similar organisational contexts. The study seeks to provide valuable insights into enhancing employee performance through strategic human resource practices by applying this model in a real-world setting. This contributes to the academic literature and offers practical guidance for managers and HR professionals aiming to optimise employee performance and organisational outcomes through targeted incentive structures.

This study addresses the research gap by explaining the mediating roles of employee motivation and organisational commitment in the relationship between project bonuses and employee performance. By gaining a deeper understanding of these intermediate factors, the research seeks to clarify how project bonuses impact employee performance through their influence on motivation and organisational commitment. By applying this model to RST Company as a case study, this research provides valuable guidance in addressing employee performance challenges in today's competitive business environment. This research will contribute valuably to developing practical human resource management theory and practice.

The problem formulations that are the focus of research are (1) the effect of project bonuses on employee performance, (2) the effect of project bonuses on employee motivation, (3) the effect of project bonuses on organisational commitment, (4) the effect of employee motivation on employee performance, (5) the effect of organisational commitment on employee performance, (6) the effect of project bonuses on employee performance through employee motivation, (7) the effect of project bonuses on employee performance through organisational commitment, and (8) the effect of employee



motivation and organisational commitment as mediating variables.

THEORETICAL REVIEW

Hierarchy of Needs Theory. Maslow's Motivation Theory, known as the Hierarchy of Needs Theory, is a conceptual framework developed by Abraham H. Maslow in his seminal article "A Theory of Human Motivation," published in the *Psychological Review*. Maslow posits that a person's needs and satisfaction are multifaceted, encompassing biological and psychological needs, including material and non-material aspects (Bagas, 2020). This theory describes a hierarchy of human needs that helps us understand what drives individuals to act and achieve their potential. This theory helps explain what drives human behaviour. Why do people seek certain fulfilment? How can we understand individual motivation by paying attention to this hierarchy? This study uses this theory as the leading theory supporting the research. This is because this theory, Maslow's Motivation Theory, is closely related to the research.

Maslow's theory emphasises that individuals have various levels of needs. With physiological needs being the most basic and self-actualization needs being the highest, this is done through the bonus project to motivate employees. This can relate to the need for appreciation and recognition (the level of self-esteem needs), which relates to the effort and drive that arise from within a person to meet all goals aimed at in Maslow's Theory. Organisational commitment (OC) can be related to the need for togetherness and a sense of security due to feeling connected to the organisation. This reflects how motivation (which can be understood in the context of Maslow's theory) and organisational commitment (OC) can be the bridge between financial incentives (project bonus (PB)) and employee performance (EP) outcomes. Thus, Maslow's motivation theory provides a solid theoretical basis for understanding employee motivation (EM) and organisational commitment (OC) in the research context. These factors can mediate Project Bonus's (PB) effect on employee performance (EP).

Human resource management is a strategic approach to managing an organisation's workforce. It involves managing and developing human resources to maximise employee contributions and potential (Bratton et al., 2021). HRM encompasses various activities and strategies to optimise the use of human resources to align with the organisation's goals and needs. In project teams, HRM refers to efforts to effectively manage the workforce involved in project execution (Tyson, 2020).

Project Bonus. Work bonuses refer to additional rewards given to employees for outstanding performance or target achievement, significant contributions, or results that exceed expectations in their work (Francis et al., 2020). A work bonus is an additional form of financial reward given to employees in recognition of outstanding performance or achievement of specific targets in their work. Job bonuses, such as annual or one-time project bonuses (PB) or performance bonuses, can be given periodically.

Employee Performance. Employee Performance (EP) refers to the level of achievement and the results of an individual's work, including the goals to be attained and the tasks to be completed within a specific timeframe. Performance describes an employee's ability to execute tasks according to the organisation's standards and job description. In the human resource management (HRM) context, performance signifies the outcomes or accomplishments attained by an employee or group of employees in fulfilling their duties and responsibilities at work (Andreas, 2022).

Employee Motivation. Employee Motivation (EM) is a psychological state or



internal drive that inspires individuals to achieve goals, complete tasks, and exert their best effort in the workplace (Andreas, 2022). Within human resource management (HRM), work motivation involves organisations implementing strategies and initiatives to comprehend, foster, and maintain EM to meet organisational objectives (Jalagat, 2017). This aspect of HRM is critical, as it directly influences individual performance, job satisfaction, and overall productivity in the workplace.

Organisational Commitment. Organisational commitment (OC) refers to an employee's dedication, attachment, and loyalty to their job and organisation (Salmon et al., 2023). It reflects the employee's motivation and willingness to stay engaged and contribute to the organization's goals. OC encompasses emotional, cognitive, and behavioural aspects, illustrating employees' desire to contribute actively, remain with the organisation long-term, and achieve positive outcomes in their work.

Figure 1 presents the research framework, depicting the influence between variables and the resulting hypothesis.

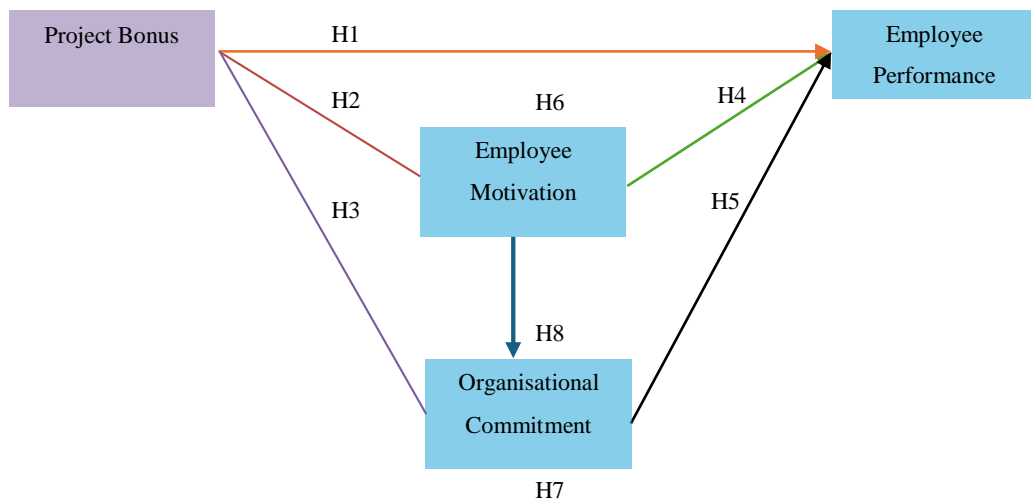


Figure 1. The Conceptual Research Framework

Hypothesis. Drawing from the theories and the interactions between the variables, the hypotheses for this study are formulated as follows:

H1: Project Bonus (PB) has a significant effect on Employee Performance (EP) at RST Company,

(Bagas, 2020) research, which also employs Maslow's Hierarchy Theory, it is stated that a person's needs and satisfaction are diverse, encompassing biological and psychological needs, including material and non-material ones. Psychological needs for humans include necessities such as food, drink, shelter, and a salary sufficient to meet these basic needs. Consequently, the Project Bonus (PB) is considered part of employees' material needs. This aligns with (Taba, 2018) findings, which indicate a significant relationship between Reward and Employee Performance (EP) in a company. Similarly, (Ariani et al., 2020) suggest that bonuses or rewards are critical to enhancing employee performance (EP). Thus, there is a significant reciprocal influence between the rewards provided by a company and Employee Performance (EP).

H2: Project Bonus (PB) has a significant effect on Employee Motivation (EM) at RST Company.

Implementing project bonuses (PB) aims to enhance employee motivation (EM) and stimulate improved performance. When the system for providing project bonuses (PB) becomes fairer, encompassing factors like salaries, bonuses, welfare, and career development, employee performance (EP) is expected to increase. This improvement includes enhanced work quality, punctuality, effectiveness, and efficiency, as discussed by (Francis et al., 2020), who assert that consumer-related rewards influence Employee Motivation (EM) to perform better. However, (Kitsios & Kamariotou, 2021) found that wage bonuses do not consistently impact employee motivation (EM), as not all employees receive equal bonuses, and some may not work solely for the promise of a bonus.

H3: Project Bonus (PB) has a significant effect on organisational Commitment (OC) at RST Company.

Project Bonuses (PB) are crucial for company employees (Bagas, 2020), as their amount reflects the value of an individual's contributions to the company. The reward system is vital for the organisation as it demonstrates its efforts to retain human resources, fostering high employee loyalty and commitment. (Jawaad et al., 2019) found that work discipline positively and significantly impacts organisational commitment (OC). (Taba, 2018) also highlighted that the reward system significantly affects organisational commitment (OC), which is driven by employees' physiological needs. Additionally, Francis et al. (2020) noted that providing employee bonuses enhances company commitment, as organisations that value commitment show appreciation through bonus wages.

H4: Employee Motivation (EM) has a significant effect on Employee Performance (EP) at RST Company.

The presence of needs is a primary motivator for individuals in their work. When adequately motivated, employees maintain their drive and enhance their performance, thereby contributing to the company's achievement of corporate goals. Motivation fosters a shared sense of purpose by aligning the organization's needs and aspirations with those of its employees. (Andreas, 2022) highlights the influence of employee motivation (EM) on employee performance, emphasising that meeting employees' needs fosters motivation for practical work. (Alcover et al., 2020) further affirm that employee motivation (EM) significantly influences employee performance (EP), mainly through non-material needs. Additionally, (Liaquat et al., 2024) underscore in their research that employee motivation (EM) impacts the performance employees deliver to the company, driven by their need to feel valued.

H5: Organisational Commitment (OC) has a significant effect on Employee Performance (EP) at RST Company.

Company commitment plays a crucial role in ensuring that employees are dedicated to their tasks, thereby facilitating the achievement of company goals. Without commitment and considering various factors affecting employee performance (EP), such as quality,

quantity, timeliness, effectiveness, and autonomy, employees may lack enthusiasm, easily give up, and struggle to complete tasks. (Marrucci et al., 2024) found in their research a significant long-term relationship between organisational Commitment (OC) and Employee Performance (EP). Similarly, (Jawaad et al., 2019) demonstrated that company commitment significantly influences Employee Performance (EP) within organisations, driven by the unique values upheld by each company.

H6: Project Bonus (PB) has a significant effect on Employee Performance (EP) through Employee Motivation (EM) at RST Company.

(Bagas, 2020) research. Maslow's theory states that in motivating someone, it is necessary to understand the person's level of existence in the hierarchy of needs and focus on satisfying those needs. Companies provide project bonuses (PB) to incentivize employees to meet the targets established by the company. Employees are required to give their maximum ability so that the tasks and targets given by the company can be completed properly. (Liaquat et al., 2024) conducted research indicating that employees' material needs significantly influence Employee Motivation (EM), consequently affecting Employee Performance (EP).

H7: Project Bonus (PB) has a significant effect on Employee Performance (EP) through organisational Commitment (OC) at RST Company.

One of the employees' needs in the hierarchy of needs theory in (Baga, 2020) research is esteem, or the need for appreciation. The need for appreciation from others, status, fame, dominance, and pride are considered significant. And appreciation from others. People feel the need to get recognition from others, which is in line with research by (Marrucci et al., 2024), which found that giving employee bonuses affects company commitment. It can be interpreted that companies that provide bonuses for Employee Performance (EP) in a timely and structured manner will affect Employee Performance (EP). Another study by (Yao et al., 2019) showed that giving rewards to the company as a form of its commitment to appreciating employees will influence employee performance (EP).

H8: Employee motivation (EM) and organisational commitment (OC) interact to affect employee performance (EP) at RST Company.

(Bagas, 2020) researched using Maslow's theory that humans are social creatures. This need for affiliation arises instinctively and is related to motivating workers. One of the implications of the demands for satisfying this need is the obligation of leaders to create a work atmosphere such that interaction between workers occurs continuously. Therefore, employees must show potential abilities that are different and better than others when completing something. The opportunity to create and innovate is a common way companies fulfil this need as a form of work commitment. (Taba, 2018) found that Employee Motivation (EM) and organizational Commitment (OC) have a long-term impact on Employee Performance (EP), driven by the company's decision-making processes. Similarly, research by (Jawaad et al., 2019) and (Loor-Zambrano et al., 2022) indicates that there is a positive and significant interaction between Employee Motivation (EM) and organisational Commitment (OC) in enhancing Employee Performance (EP).

METHODS

This research employs quantitative methods, utilising a cross-sectional approach. In cross-sectional research, data is collected at a single point to analyse and draw conclusions about the relationships between variables collected from respondents or units of analysis that represent the population under study at a certain period (Sugiyono, 2019). This data can be collected through surveys, interviews, or observations. This research then analyses the relationship between the variables studied at the same point in time.

This study's population comprises RST Company employees employed for at least one year. The study uses quantitative methods with a cross-sectional approach, aiming to collect data simultaneously from various individuals or units within the population. A simple random sampling method is applied, randomly selecting individuals from the population.

According to (Malhotra et al., 2017), the population includes all elements sharing common characteristics for marketing research purposes. (Hair et al., 2019) suggest that sample size guidelines can be determined by multiplying the number of indicators by 5 to 10. With 150 indicators in this study, the sample size should range from 750 to 1500. However, based on the results of the sample calculation, the authors chose 150 respondents for this study.

(Malhotra et al., 2017) state that the minimum sample size required for marketing research is 150 samples. (Hair et al., 2019) recommend a minimum sample size of 10 times the number of independent variables in the research model for data processing using the PLS-SEM method. With four independent variables in this study, the minimum required sample size is 40 respondents. Additionally, the number of arrows pointing to latent variables in the research model determines the minimum sample size. In this study, four arrows lead to the employee performance (EP) variable, requiring a minimum of 40 respondents. Previous research by (Taba, 2018) used 100 respondents as the sample size. Considering these expert recommendations, this study's minimum sample size is 150 respondents.

This study utilises a 5-point Likert scale with interval measurement, where equal numeric distances on the scale represent equal values in measuring characteristics (Sekaran & Bougie, 2020). The research model includes one exogenous variable (Project Bonus (PB)), one endogenous variable (Employee Performance (EP)), and two mediating variables (Employee Motivation (EM) and Organisational Commitment (OC)), which will be used and explained in the study.

RESULTS

Respondents' socio-demographic profile. The data collected in this study will undergo validation and reliability testing. Data analysis will employ the Partial Least Squares-Structural Equation Modelling (PLS-SEM) method using SmartPLS 4 software. This approach comprises two primary analyses: outer model analysis, which illustrates the relationship between constructs and their respective indicator variables (Hair et al., 2019), including validity and reliability assessments, and inner model analysis.

Out of the 155 respondents who completed the questionnaire, data from 150 respondents was deemed suitable for analysis. The socio-demographic profile of participants reveals a predominantly female group aged between 18 and 50 years, primarily students pursuing a bachelor's degree (S1), as detailed in **Table 2**.

Table 2. Respondents' Socio-Demographic Profile

Variables		N = 150	Percentage
Sex	Male	131	87
	Female	19	13
Age	More than 20 years old	28	19
	21 to 30 years old	42	28
	31 to 40 years old	45	30
	41 to 50 years old	25	17
	More than 50 years older	15	6
Profession	High school	12	8
	Diploma	33	22
	Bachelor's degree	70	47
	Postgraduate or higher	20	13
Education Level	1 to 2 years	21	15
	2 to 3 years	37	26
	4 to 5 years	54	32
	More than five years	38	27

Source: Data collection. Processed by the authors

Operationalization of Variables and Instruments. This study utilises 23 indicator items, divided as follows: 5 indicators for project bonus (PB), seven indicators for employee performance (EP), four indicators for employee motivation (EM), and seven indicators for organisational commitment (OC). The questionnaire items and their references are detailed in **Table 3** below. According to the results, most respondents can view transaction details as employees at RST Company.

Table 3. Questionnaire Items and References

Variables	Codes	Questionnaire Items	References
Project Bonus (PB)	PB1	Get some cash	(Azis et al., 2019)
	PB2	Get bonuses in other intensive forms.	
	PB3	Achieve work targets	
	PB4	Contribute to the team.	
	PB5	Achieve the company's strategic goals.	
	PB6	Increase company revenue growth.	
	PB7	The company communicates and is transparent regarding employee project bonuses (PB).	
Employee Performance (EP)	EP1	Have competencies appropriate to the job	(Andreas. 2022)
	EP2	Have skills appropriate to the job	
	EP3	Have skills appropriate to the job	
	EP4	Feel satisfied with the company.	
	EP5	Involved in core processes in the company	
	EP6	Have the ability to work in a team and achieve set goals.	
	EP7	The company provides training opportunities.	
	EP8	The company effectively and efficiently manages human resources.	
	EP9	The company has a work culture that supports high performance.	
Employee Motivation (EM)	EM1	Get a fair salary	(Ozkaser. 2019)
	EM2	Have good relationships with coworkers	
	EM3	Have a positive work system.	
	EM4	Have a sense of responsibility when carrying out tasks.	
	EM5	Have a sense of responsibility when making	

		decisions.
Organisational Commitment (OC)	EM6	Have the opportunity to learn.
	EM7	Have the opportunity to develop skills.
	EM8	Have the opportunity for career advancement.
	OC1	Have a vision and mission that are in line with the company.
	OC2	Have goals that are aligned with the company
	OC3	Trust that the company treats you fairly.
	OC4	Trust that the company provides job security.
	OC5	Trust that the company fulfils the contracts it provides
	OC6	I feel satisfied with my work.
	OC7	Feeling that work has value and meaning.
	OC8	The company supports career development well.
	OC9	The company provides opportunities to develop skills that are required by the job.
	CO10	Have good relationships with coworkers.
	CO11	Have a sense of ownership of the team.
	CO12	Have the opportunity to make decisions.

Outer Model Analysis. The sample data is then processed for outer and inner model analysis. The outer model analysis includes both validity and reliability assessments. Validity analysis in PLS-SEM is further divided into convergent validity and discriminant validity.

Based on the convergent validity and reliability test results shown in **Table 4**, it is observed that the Project Bonus (PB) has an AVE value of 0.565 and a Cronbach's Alpha of 0.866. Employee Performance (EP) has an AVE value of 0.630 and a Cronbach's Alpha of 0.919. Employee Motivation (EM) has an AVE value of 0.501 and a Cronbach's Alpha of 0.908. Lastly, the organisational commitment (OC) variable has an AVE value of 0.508 and a Cronbach's alpha of 0.854. As shown in Table 4, the Average Variance Extracted (AVE) values exceed 0.500, indicating that all variables are valid (Hair et al., 2019). Additionally, Cronbach's Alpha values all surpass 0.600, confirming the reliability of the data. Therefore, the data is suitable for the next stage of analysis.

Table 4. Convergent Validity and Reliability Analysis

Item	AVE	Cronbach's Alpha
Project Bonus (PB)	0.565	0.866
Employee Performance (EP)	0.630	0.919
Employee Motivation (EM)	0.501	0.908
Organisational Commitment (OC)	0.508	0.854

Source: Processed by Smart PLS 4

The inner model analysis elucidates how constructs interrelate based on theoretical frameworks and logical reasoning (Hair et al., 2019). According to the effect size (f^2) results presented in **Table 5**, the Project Bonus (PB) variable exhibits a minor influence on employee performance (EP) with a value of 0.077 and on employee motivation (EM) with a value of 0.028. In contrast, it substantially influences organisational commitment (OC), with a value of 0.374. Conversely, the organisational commitment (OC) variable shows a minor influence on employee performance (EP) with a value of 0.036 while exerting a moderate influence on employee motivation (EM) with a value of 0.137. Meanwhile, the mediating variable, Employee Motivation (EM), exhibits a moderate influence on Employee Performance (EP), with a value of 0.331.

Table 5. F²: Path Coefficient and P-Value Analysis

	f ²	Path Coefficient	P-Values
Project Bonus (PB) > Employee Performance (EP)	0.077	0.312	0.009
Project Bonus (PB) -> Organisational Commitment (OC)	0.028	0.259	0.010
Project Bonus (PB) > Employee Motivation (EM)	5.874	0.924	0.000
Organisational Commitment (OC) > Employee Performance (EP)	1.331	0.834	0.000
Employee Motivation (EM) -> Employee Performance (EP)	0.036	-0.223	0.070
Employee Motivation (EM) > Organisational Commitment (OC)	0.137	0.567	0.000
Project Bonus (PB) -> Employee Motivation (EM) -> Employee Performance (EP)			0.069
Project Bonus (PB) -> Organisational Commitment (OC) -> Employee Performance (EP)			0.011
Employee Motivation (EM) > Organisational Commitment (OC)			0.000

Source: Processed by Smart PLS 4

The Path Coefficient results in Table 5 reveal several vital relationships. The path coefficient between the Project Bonus (PB) variable and Employee Performance (EP) is 0.312, indicating a positive relationship. Similarly, the path coefficient between project bonus (PB) and organisational commitment (OC) is 0.259, which also shows a positive relationship. Project Bonus (PB) demonstrates a strong positive relationship with Employee Motivation (EM), with a path coefficient of 0.924. Organisational Commitment (OC) positively influences Employee Motivation (EM) with a path coefficient of 0.834. The path coefficient for employee motivation (EM) and organisational commitment (OC) is 0.567, indicating a positive relationship. However, Employee Motivation (EM) negatively influences Employee Performance (EP), with a path coefficient of -0.223.

Regarding the p-values in **Table 5**, they test the hypotheses formulated in the research. Project Bonus (PB) significantly affects employee performance (EP) with a p-value of 0.009 and similarly affects organisational commitment (OC) with a p-value of 0.010. Project Bonus (PB) significantly impacts Employee Motivation (EM) with a p-value of 0.000. Organisational Commitment (OC) significantly affects Employee Performance (EP) with a p-value of 0.000. However, employee motivation (EM) does not significantly influence employee performance (EP), with a p-value of 0.070; it significantly influences organisational commitment (OC), with a p-value of 0.000. The mediating effect of Project Bonus (PB) through Employee Motivation (EM) on Employee Performance (EP) has a p-value of 0.069, indicating no significant effect.

In contrast, the mediating role of Project Bonus (PB) through Organisational Commitment (OC) on Employee Performance (EP) has a p-value of 0.011, indicating a significant influence. The interaction between employee motivation (EM) and organisational commitment (OC) has a p-value of 0.000, indicating a significant influence. Based on the p-values, 2 out of 8 hypotheses show no significant effects.

Furthermore, the coefficient of determination (R²) test in **Table 6**, which ranges between 0 and 1, indicates the explanatory power of variables in the study (Hair et al., 2019). Employee performance (EP) has an R² value of 0.822, and organisational commitment (OC) has an R² value of 0.855, both categorised as vital. Employee

motivation (EM) has an R2 value of 0.659, categorised as moderate.

Table 6. R² Analysis

	R ²
Employee Performance (EP)	0.822
Organisational Commitment (OC)	0.855
Employee Motivation (EM)	0.659

In **Figure 2**, the t-statistics and p-values in the path analysis between variables through the bootstrapping method show whether this study tested its hypothesis.

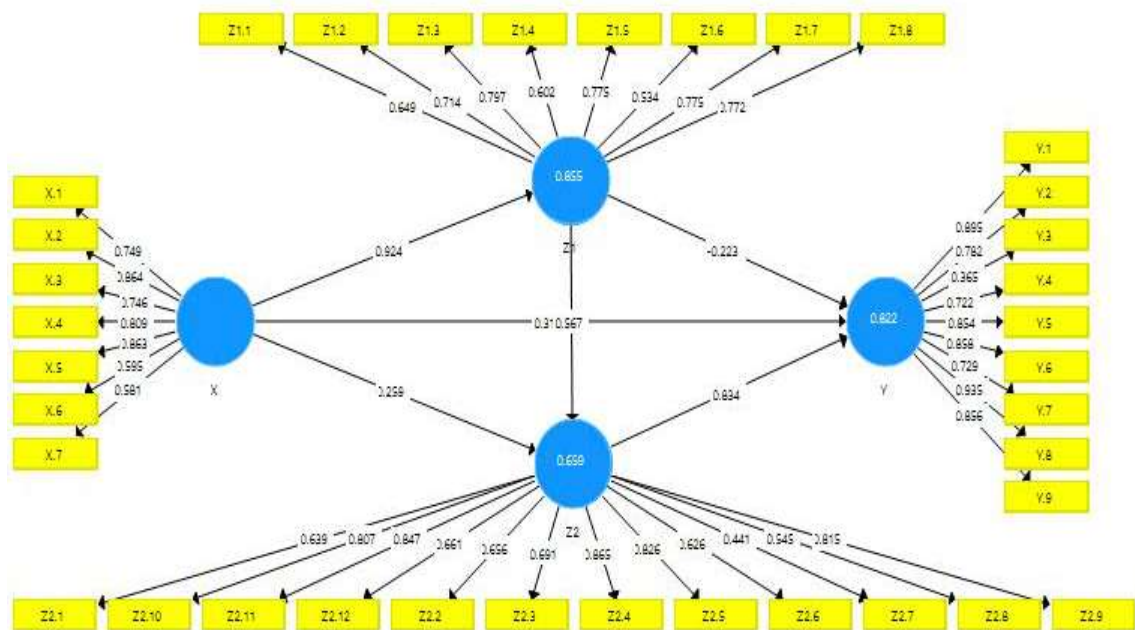


Figure 2. PLS-SEM Algorithm Result

DISCUSSION

The H1 test results indicate that the acceptance of the Project Bonus (PB) directly and significantly impacts Employee Performance (EP) for employees of RST Company. This finding aligns with the research conducted by (Liaquat, 2024), which asserts that rewards positively affect a company's performance. Employees who can achieve and surpass the targets set by management within a specified time frame are eligible for a more substantial project bonus. At PT XYZ, the Project Bonus is a benchmark for completed work. This approach is underscored by PT XYZ's practice of providing a Project Bonus based on the reference value of the work completed. This aligns with (Taba's, 2018) revelation that a bonus is a lump-sum payment awarded for meeting performance goals. Bonuses can be contingent on achieving objective goals or based on subjective assessments. Therefore, the better the Project Bonus (PB) provided, the better the company's performance. This is due to the company's management effectively managing its Human resources and facilitating their development through bonuses.

Consequently, the project bonus (PB) can motivate an employee at RST Company



to work more efficiently, enhancing their performance. Employees at RST Company who perform their duties diligently and improve their work performance contribute to increasing profits. Thus, the company offers its employees attractive project bonuses (PB). Providing project bonuses (PB) fairly and transparently can foster a sense of trust in management among employees (Ariani et al., 2020).

In the testing of H2, it was found that the direct relationship between Project Bonus (PB) and Employee Motivation (EM) significantly influences RST Company. This finding is consistent with the research by (Alcover et al., 2020), which indicates that Project Bonus (PB) affects Employee Motivation (EM) through factors such as appropriate salary alignment, overtime compensation, innovative contributions, and positive interpersonal relationships. Employee motivation (EM) at RST Company is a driving force that fosters enthusiasm and efficient work and aligns efforts towards achieving satisfaction. This motivation, derived from external factors, reflects employees' needs and desires, as highlighted by (Liaquat, 2024). Moreover, (Nurrohmat & Lestari, 2021) discovered significant relationships between Employee Motivation (EM) and work performance.

Regarding H3, the indirect relationship between project bonus (PB) and organisational commitment (OC) significantly impacts RST Company, supporting Taba's (2018) findings on the effect of rewards and bonuses on organisational commitment (OC). At PT RST, the consistent provision of project bonuses based on team or individual achievements underscores the company's commitment to appreciating employees' hard work. This consistent reward system positively influences organisational commitment (OC) by demonstrating the company's dedication to recognising employee efforts. This finding aligns with previous research by (Taba, 2018), indicating that rewards significantly affect organisational commitment (OC) as a mediator, subsequently influencing job satisfaction through adequate compensation and recognition practices.

The results of H4 reveal that the indirect relationship between Employee Motivation (EM) and Employee Performance (EP) significantly impacts RST Company. This finding is consistent with (Liaquat's, 2024) research, which highlights the impact of Employee Motivation (EM) on job performance. However, the uniform distribution of project bonuses at RST Company, as opposed to merit-based rewards, diminishes their motivational effect, as (Kitsios et al., 2021) observed. Individual motivation remains crucial for enhancing company performance, emphasising the intrinsic drive needed for practical task completion.

In H5, the indirect relationship between organisational commitment (OC) and employee performance (EP) significantly influences RST Company, consistent with (Jawaad et al., 2019), who emphasises the pivotal role of organisational commitment in enhancing employee performance within the company. Higher levels of organisational commitment (OC) are positively correlated with job satisfaction and sustained organisational effort, as supported by (Meutia & Husada, 2019). Conversely, lower levels of normative commitment may reflect employees' perceptions of minimal contribution to organisational goals, influencing their decisions to remain with the company.

The findings from H6 indicate that the indirect relationship between project bonus (PB) and employee performance (EP) through employee motivation (EM) does not significantly impact RST Company. This aligns with (Chen & Cuervo's, 2022) research, which highlights the limited effect of intrinsic rewards on employee performance (EP). At RST Company, employee motivation (EM), driven primarily by external motivators like financial incentives, must consistently enhance work patterns or job outcomes. This reflects the complex interplay between different types of motivation and their influence on

performance, as noted by (Sutanjar & Saryono, 2019).

H7 demonstrates that the direct and significant impact of Project Bonus (PB) on Employee Performance (EP) through Organisational Commitment (OC) aligns with (Yao et al., 2019), underscoring the role of rewards in bolstering Employee Performance (EP) through enhanced Organisational Commitment (OC). At RST Company, bonuses serve as esteem needs, fostering employee motivation and commitment, as theorised by Maslow (Bagas, 2020). Furthermore, the consistent provision of bonuses correlates positively with employee performance (EP), highlighting their role in motivating employees and driving organisational success, consistent with (Francis et al., 2020).

Lastly, H8 reveals that the direct and significant influence of the interaction between employee motivation (EM) and organisational commitment (OC) on employee performance (EP) at RST Company aligns with (Taba, 2018), emphasising the substantial impact of rewards on job performance and organisational commitment (OC). This finding underscores the integral role of organisational commitment in driving employee performance and organisational outcomes. (Jawaad et al., 2019) support this by stressing the mediating role of job satisfaction in linking HR practices with organisational commitment (OC) and performance improvements.

As presented in (Bagas, 2020) research, Maslow's theory explains that employees must demonstrate their potential abilities, distinguishing them from others in completing tasks. Companies often fulfil this need by providing opportunities to create and innovate, which fosters a sense of work commitment. Motivation acts as a catalyst, driving employees to utilise their full abilities and skills towards achieving company goals. High levels of work motivation among employees can significantly enhance job commitment. This aligns with the findings of (Ariani et al., 2020), suggesting that motivated employees are more likely to engage actively in their work and contribute productively. According to the hierarchy of needs theory, organisational success hinges on fulfilling employee needs, thus fostering greater productivity and personal growth as individuals achieve higher levels of self-actualization. Motivated employees tend to work diligently and are goal-oriented. With motivation, employees will stay engaged and improve performance, enabling the company to achieve its objectives. Motivation is the ability to achieve a common purpose by ensuring that the organisation's needs and desires align with those of its members.

Expanding on the concepts discussed, the relationship between project bonuses and employee performance, as highlighted by (Liaquat, 2024), suggests that financial incentives are crucial in motivating employees to achieve and exceed their targets. This creates a culture of excellence and competition within the organisation, driving employees to perform at their best. The project bonus system at PT XYZ, which uses completed work as a benchmark, is a practical implementation of this theory. This system rewards employees for hard work and sets clear expectations and goals, enhancing overall productivity and performance.

(Taba's, 2018) research further emphasises that bonuses can be based on both objective goals and subjective assessments. This dual approach ensures that employees are recognised for measurable achievements and qualitative contributions, such as innovation and teamwork. At PT RST, the fair and transparent distribution of project bonuses is critical to maintaining employee trust and motivation. (Ariani et al., 2020) highlight the importance of fairness in bonus distribution, suggesting that employees are more likely to be motivated and committed to their work when they perceive the reward system as just.

(Alcover et al., 2020) provide additional insights into the factors influencing employee motivation through project bonuses. By aligning salaries appropriately and



compensating for overtime and innovative contributions, companies can ensure that employees feel valued and motivated. Positive interpersonal relationships within the organisation also play a crucial role in maintaining high motivation. At RST Company, fostering a supportive work environment is critical to sustaining employee motivation and enhancing performance.

As (Taba, 2018) and (Jawaad et al., 2019) discussed, the significant impact of organisational commitment on employee performance highlights the importance of a committed workforce in achieving organisational goals. Various factors influence organisational commitment, including recognition, compensation, and a supportive work environment. (Meutia & Husada, 2019) suggest that higher levels of organisational commitment are associated with increased job satisfaction and sustained effort, leading to better performance outcomes. Conversely, low levels of normative commitment indicate a need for more alignment between employees' personal goals and the organisation's objectives, potentially leading to higher turnover rates.

(Chen & Cuervo, 2022) and (Sutanjar & Saryono, 2019) further explore the complex relationship between project bonuses, employee motivation, and employee performance. While financial incentives effectively motivate employees, they may only sometimes improve performance if other motivational factors are addressed. At RST Company, emphasis on external motivators like bonuses must be balanced with intrinsic motivators, such as opportunities for personal growth and development. This balanced approach can ensure that employees remain engaged and perform at their best.

(Yao et al., 2019) and (Francis et al., 2020) highlight the role of project bonuses in enhancing organisational commitment and subsequently improving employee performance. By consistently providing bonuses, RST Company can reinforce its commitment to recognising and rewarding employees' efforts, thereby fostering a loyal and motivated workforce. This approach aligns with Maslow's theory, which suggests that fulfilling employees' esteem needs can lead to higher levels of self-actualization and productivity.

As (Taba, 2018) and (Jawaad et al., 2019) discussed, the interaction between employee motivation and organisational commitment underscores the importance of creating a work environment that supports personal and organisational goals. RST Company can enhance job satisfaction, organisational commitment, and overall performance by aligning HR practices with employees' needs and desires. This holistic employee motivation and commitment approach is essential for long-term organisational success.

In conclusion, the various hypotheses tested in the research collectively underscore the critical role of project bonuses in influencing employee performance, motivation, and organisational commitment at RST Company. By adopting a fair and transparent reward system, aligning salaries and compensation with performance, and fostering a supportive work environment, RST Company can ensure that its employees remain motivated, committed, and productive. This comprehensive approach to managing human resources is essential for achieving sustained organisational success and maintaining a competitive edge in the market. organizational

CONCLUSION

This study concludes with several key findings. First, the project bonus (PB) significantly and directly influences employee performance (EP), as indicated by a p-value



of 0.009. This demonstrates that employees' financial rewards for achieving or exceeding their project targets are crucial in enhancing their performance. Secondly, the study found that the project bonus (PB) also has a significant and direct impact on employee motivation (EM), with a p-value of 0.000. This underscores the importance of financial incentives in boosting the enthusiasm and drive of employees to perform their tasks more effectively. Thirdly, the research shows that the project bonus (PB) significantly and directly influences organisational commitment (OC), with a p-value of 0.010. This finding suggests that when employees are rewarded adequately for their efforts, their loyalty and commitment to the organisation increase.

However, the study also reveals some nuances. For instance, employee motivation (EM) was found to have no significant and direct influence on employee performance (EP), as indicated by a p-value of 0.070. This suggests that while motivation is essential, it may only directly translate to enhanced performance in the presence of other factors. On the other hand, organisational commitment (OC) significantly and directly influences employee performance (EP), with a p-value of 0.000. This highlights the critical role of employees' loyalty and commitment to the organisation in driving their performance.

Furthermore, the research indicates that the project bonus (PB) does not significantly influence organisational performance through the mediating variable of employee motivation (EM), as shown by a p-value of 0.069. This finding suggests that while bonuses can boost motivation, this does not necessarily lead to improved organisational performance through this pathway. In contrast, the project bonus (PB) does have a significant and direct influence on organisational performance through the mediating variable of organisational commitment (OC), with a p-value of 0.000. This implies that bonuses enhance performance by fostering a greater sense of loyalty and commitment among employees.

Additionally, the study finds a significant interaction between employee motivation (EM) and organisational commitment (OC) as mediating variables on employee performance (EP), with a p-value of 0.000. This indicates that the combined effect of motivation and commitment significantly enhances employee performance, underscoring the importance of addressing both factors simultaneously.

Despite these findings, the study acknowledges several limitations. Firstly, it is constrained by focusing on only four variables: one exogenous (Project Bonus (PB)), one endogenous (Employee Performance (EP)), and two mediating variables (Employee Motivation (EM) and Organisational Commitment (OC)). Future researchers are encouraged to broaden their investigations by incorporating additional variables, such as employee work quality, as suggested by (Taba, 2019). Expanding the scope of variables could provide a more comprehensive understanding of the dynamics at play.

Secondly, this research is limited to employees of RST Company, based in Jakarta. Future studies could encompass multiple companies across different regions or industries to enhance the generalizability of the findings. This broader approach would yield more comprehensive insights and allow for comparing results across various contexts, thereby strengthening the study's conclusions.

Thirdly, the sample size was restricted to 150 respondents due to time constraints, which may limit the study's scope compared to larger-scale journal research. To improve the robustness and reliability of the findings, future researchers should consider increasing the sample size beyond 150 respondents. A larger sample size would enhance the study's statistical power and provide more accurate estimates of the relationships between variables.



Lastly, this study employed a cross-sectional research design, collecting data simultaneously. While this approach provides a snapshot of the relationships between variables, it does not capture temporal changes or the long-term impacts of these variables. Future investigations could benefit from longitudinal studies that collect data over multiple time points. Longitudinal research would allow researchers to observe how the relationships between variables evolve and provide deeper insights into the enduring impacts of project bonuses, motivation, and organisational commitment on employee performance.

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