Al Tijarah: Vol. 12 No. 1, June 2026 (82-89)
p-ISSN: 2460-4089 e-ISSN: 2528-2948
Available at: http://ejournal.unida.gontor.ac.id/index.php/altijarah

The Influence of Reward and Work–Life Balance on Employee Engagement at PT PG Rajawali Jatitujuh Unit II Majalengka

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Abstract

Employee engagement is a crucial factor in enhancing organizational performance and sustainability, particularly in manufacturing companies with structured and formal work systems. This study aims to analyze the effect of reward and work–life balance on employee engagement among employees of PT PG Rajawali Jatitujuh Unit II Majalengka. This research adopts a quantitative approach with a causal associative research design. Data were collected through questionnaires distributed to 105 permanent employees selected using simple random sampling. The data were analyzed using multiple linear regression with IBM SPSS Statistics 22. The results indicate that, partially, reward does not have a significant effect on employee engagement, whereas work–life balance has a positive and significant effect on employee engagement. Simultaneously, reward and work–life balance have a significant effect on employee engagement. The coefficient of determination (R^2) value of 0.097 indicates that these variables explain 9.7% of the variance in employee engagement, suggesting that employee engagement is influenced by various other factors beyond the research model. This study highlights that work–life balance plays a more dominant role than reward in shaping employee engagement within manufacturing organizations.

Keywords: Reward, Work–Life Balance, Employee Engagement.

INTRODUCTION

In an era of intensifying business competition, organizations are required not only to rely on technology and capital but also to develop the quality of their human resources. One important indicator of human resource quality is employee engagement — a psychological state in which employees exhibit emotional attachment, dedication, and active involvement in their work. High levels of employee engagement have been shown to contribute to increased productivity, work quality, and organizational sustainability.

In practice, however, the level of employee engagement is not always consistent across organizations, especially in companies with large and complex work structures. PT PG Rajawali Jatitujuh Unit II Majalengka, a manufacturing company in the sugar industry sector, is characterized by work demands that require high discipline, strict working hours, and task division across production and administrative units. These conditions have the potential to affect employee engagement if not supported by an effective human resource management system.

Initial observations and internal company information indicate discrepancies in the level of employee engagement across different work units, as reflected in variations in work enthusiasm, discipline, and participation in company activities. This suggests that employee engagement has not yet been optimally and uniformly established. If left unaddressed, the company risks experiencing declining productivity and weak long-term employee commitment.

Two factors frequently associated with the formation of employee engagement are reward and work–life balance. Reward functions as a form of recognition for employee contributions, both in financial and non-financial forms, which can foster a sense of being valued and appreciated by the organization. Meanwhile, work–life balance relates to employees' ability to balance work demands and personal life, playing an important role in maintaining psychological well-being and work energy.

Prior empirical studies suggest that reward and work–life balance generally have a positive influence on employee engagement. Koskey and Sakataka (2019) and Agnes Agitza Jaya et al. (2024) found that a fair reward system can increase employee engagement. Shafie et al. (2020) and Ricca Hendarti et al. (2025) demonstrated that work–life balance is an important predictor of

employee engagement. However, findings are not always consistent, particularly in manufacturing sectors and hierarchically structured organizations where reward is often perceived as a routine entitlement rather than a meaningful form of appreciation.

Most previous studies have been conducted in service, startup, and banking sectors, and frequently position employee engagement as a mediating variable. Research specifically examining the direct effect of reward and work–life balance on employee engagement in traditional manufacturing industries — particularly state-owned or state-affiliated enterprises in the agroindustry sector — remains limited. This constitutes the research gap addressed by this study.

This research is therefore important to empirically test the influence of reward and work–life balance on employee engagement at PT PG Rajawali Jatitujuh Unit II Majalengka, and to provide both theoretical contributions and practical recommendations for more effective and contextual human resource management policy formulation.

LITERATURE REVIEW

Reward

Reward encompasses all forms of remuneration provided by the organization to employees in return for their work contributions. Armstrong and Taylor (2014) define reward as a system comprising policies, practices, and processes designed to recognize employee contributions in a fair, consistent, and organizationally aligned manner. Reward functions not only as compensation but also as a strategic tool to motivate and enhance employee engagement.

Conceptually, reward consists of two main dimensions: monetary (financial) reward and non-monetary (non-financial) reward. Monetary reward includes financial remuneration such as salary, bonuses, incentives, and allowances. Non-monetary reward encompasses non-financial recognition such as career development opportunities, performance recognition, job security, and psychological aspects including the feeling of being valued and acknowledged within the organization (Armstrong & Taylor, 2014). The concept of total reward is not positioned as a standalone dimension but as a comprehensive approach integrating both monetary and non-monetary rewards into a unified recognition system.

Work–Life Balance

Work–life balance (WLB) refers to a condition in which individuals are able to manage work demands and personal life in a balanced manner without creating conflicts that are detrimental to either role. Greenhaus, Collins, and Shaw (2003) define work–life balance as the extent to which an individual is equally engaged in and satisfied with their work role and personal life role.

Work–life balance consists of three main dimensions: time balance, which relates to the equilibrium in time allocation between work and personal life; involvement balance, which refers to the degree of psychological engagement in both roles without excessive pressure; and satisfaction balance, which pertains to the level of satisfaction experienced in fulfilling both work and personal life roles simultaneously.

Employee Engagement

Employee engagement is a positive psychological state characterized by active involvement, dedication, and high energy in work. Schaufeli and Bakker (2004) define employee engagement as a positive, fulfilling, and work-related mental state characterized by vigor, dedication, and absorption. Vigor describes high levels of energy, resilience, and enthusiasm for work. Dedication reflects a sense of meaning, enthusiasm, and pride in one's work. Absorption denotes a state in which employees are deeply immersed in their work, making it difficult to detach their attention from work activities.

Prior Research

Table 1. Summary of Prior Research

No.	Author & Year	Variables	Context	Main Finding
1	Koskey & Sakataka (2019)	Reward → Engagement	Manufacturing	Reward had a significant positive effect on employee engagement
2	Prasetyo (2016)	Reward → Engagement	National banking	Reward increased engagement and loyalty

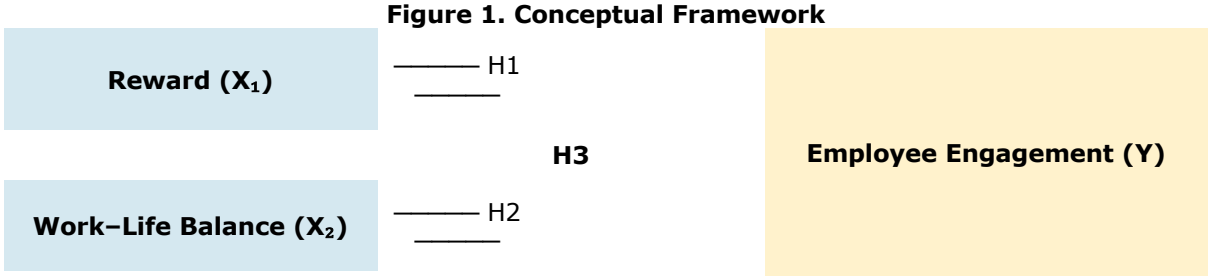
3	Jaya et al. (2024)	Reward & Recognition → Engagement	Formal companies	Reward significantly influenced employee engagement
4	Pandzic & Hadziahmetovic (2022)	Intrinsic Reward → Engagement	Food industry	Intrinsic reward significantly influenced engagement
5	Shafie et al. (2020)	WLB → Engagement	Formal organizations	WLB had a positive effect on work engagement
6	Ricca Hendarti et al. (2025)	WLB → Engagement	Formal employees	WLB significantly influenced employee engagement
7	Susi (2013)	WLB → Engagement	HRM literature	WLB is a key factor forming employee engagement
8	Putri & Sholikhah (2024)	Reward, WLB → Engagement	Indonesian companies	Reward & WLB positively influenced engagement
9	Luturmas et al. (2021)	Reward → Engagement	Formal organizations	Reward influenced engagement through POS
10	Marlinah et al. (2025)	Reward, WLB → Engagement	Indonesian companies	WLB had a stronger influence than reward

Based on prior research, both reward and work–life balance generally have a positive influence on employee engagement, though their relative strength varies across studies and organizational contexts. Most prior studies were conducted in service, startup, or flexible-work environments, leaving a research gap in traditional manufacturing sectors such as the Indonesian sugar industry.

Research Framework

Reward provided fairly and consistently enables employees to feel valued and recognized for their contributions, fostering trust and positive work attitudes that drive engagement. Work–life balance allows employees to manage their time and energy between professional and personal roles, maintaining psychological stability and positive work orientation. When both factors are fulfilled simultaneously, employees tend to work with greater enthusiasm, focus, and emotional commitment, thereby increasing employee engagement. Based on this reasoning, the conceptual framework is as follows:

Figure 1. Conceptual Framework



METHODOLOGY OF RESEARCH

This study employs a quantitative approach with a causal associative (explanatory) research design, aimed at testing the presence and magnitude of the relationship between independent variables — reward (X_1) and work–life balance (X_2) — and the dependent variable employee engagement (Y). A cross-sectional data collection design was used.

The population comprised all 142 permanent employees of PT PG Rajawali Jatitujuh Unit II Majalengka, located in Desa Sumber, Pilangsari, Kec. Jatitujuh, Kabupaten Majalengka, West Java. Using Slovin's formula with a 5% margin of error ($n = 142 / (1 + 142 \times 0.0025) \approx 105$), a sample of 105 respondents was determined and selected via simple random sampling.

Primary data were collected through structured questionnaires using a Likert scale (1–5). Secondary data were obtained from internal company documents, textbooks, scientific journals, and prior research literature. Data were analyzed using IBM SPSS Statistics 22, encompassing descriptive statistics, validity and reliability tests, classical assumption tests (normality, multicollinearity, heteroscedasticity), multiple linear regression, partial t-test, simultaneous F-test, and coefficient of determination (R^2).

Table 2. Operational Variable Definitions

Variable	Operational Definition	Dimension	Indicators
Reward (X_1)	All financial and non-financial remuneration received by employees as recognition for work contributions (Armstrong & Taylor, 2014)	**Monetary (Financial)**	Salary commensurate with workload; performance-based bonus/incentive; work-supporting allowances; fair compensation system
		Non-Monetary (Non-financial)	Performance recognition; equitable career development; supervisory appreciation; feeling valued by the organization
Work–Life Balance (X_2)	The extent to which individuals are equally engaged in and satisfied with their work role and personal life role (Greenhaus et al., 2003)	**Time Balance**	Working hours do not interfere with personal life; sufficient rest time; no excessive overtime
		Involvement Balance	Work does not interfere with personal roles; personal life does not disrupt work focus; ability to prioritize between work and family
		Satisfaction Balance	Satisfaction with work–personal life balance; company support for balance; balance improves workplace comfort
Employee Engagement (Y)	A positive, fulfilling, work-related mental state characterized by vigor, dedication, and absorption (Schaufeli & Bakker, 2004)	**Vigor**	Feeling energetic at work; resilience under work demands; rarely experiencing excessive fatigue
		Dedication	Work feels meaningful; pride in one's work; enthusiasm in carrying out work tasks
		Absorption	Full concentration at work; time passes quickly; deep immersion in work activities

Table 3. Likert Scale Model

Scale	Description	Positive Score
1	Strongly Agree	5
2	Agree	4
3	Neutral	3
4	Disagree	2
5	Strongly Disagree	1

Source: Sugiyono (2013:93)

RESULT AND DISCUSSION
Respondent Characteristics

Respondents in this study were 105 permanent employees of PT PG Rajawali Jatitujuh Unit II Majalengka, all of whom completed the questionnaire fully. All questionnaires were declared valid with no missing data.

Table 4. Respondent Characteristics

Demographic Variable	Number of Respondents	Percentage (%)
Gender		
Male	101	96.19%
Female	4	3.81%
Age		
< 25 years	3	2.88%
25–34 years	22	21.15%
35–44 years	52	50.00%
> 45 years	24	23.08%
Other	3	2.89%
Work Unit		
Production	98	94.23%
Administration	6	5.77%

Source: Primary data processed (2026)

Based on the data, respondents were predominantly male (96.19%), reflecting the production-oriented nature of the manufacturing sector. The majority were aged 35–44 years (50%), indicating a workforce in mature adulthood. Most respondents worked in the production unit (94.23%), consistent with the operational nature of the company.

Validity Test

The validity test was conducted using Pearson Product Moment correlation. An item is declared valid if r-count > r-table (0.191, at n = 105, α = 0.05). The results are presented in Tables 5–7 below.

Table 5. Validity Test – Reward (X_1)

No.	r-count	r-table	Remark
1	0.366	0.191	Valid
2	0.400	0.191	Valid
3	0.395	0.191	Valid
4	0.514	0.191	Valid
5	0.613	0.191	Valid
6	0.504	0.191	Valid
7	0.376	0.191	Valid
8	0.352	0.191	Valid
9	0.372	0.191	Valid
10	0.501	0.191	Valid
11	0.526	0.191	Valid
12	0.626	0.191	Valid
13	0.582	0.191	Valid

14	0.600	0.191	Valid

Table 6. Validity Test – Work–Life Balance (X_2)

No.	r-count	r-table	Remark
1	0.420	0.191	Valid
2	0.342	0.191	Valid
3	0.404	0.191	Valid
4	0.459	0.191	Valid
5	0.493	0.191	Valid
6	0.348	0.191	Valid
7	0.405	0.191	Valid
8	0.433	0.191	Valid
9	0.397	0.191	Valid
10	0.434	0.191	Valid
11	0.379	0.191	Valid
12	0.387	0.191	Valid
13	0.368	0.191	Valid
14	0.296	0.191	Valid
15	0.261	0.191	Valid

Table 7. Validity Test – Employee Engagement (Y)

No.	r-count	r-table	Remark
1	0.206	0.191	Valid
2	0.279	0.191	Valid
3	0.230	0.191	Valid
4	0.385	0.191	Valid
5	0.213	0.191	Valid
6	0.401	0.191	Valid
7	0.324	0.191	Valid
8	0.193	0.191	Valid
9*	−0.072	0.191	Not Valid
10	0.322	0.191	Valid
11	0.724	0.191	Valid
12	0.709	0.191	Valid
13	0.649	0.191	Valid
14	0.651	0.191	Valid
15	0.506	0.191	Valid

*Item Y.9 yielded an r-count of −0.072 (< r-table) and was declared not valid; it was excluded from further analysis. All remaining items across the three variables had r-count values exceeding the r-table of 0.191, confirming that all valid items accurately measure their respective constructs.

Reliability Test

Table 8. Reliability Test Results

Variable	Cronbach's Alpha	Remark
Reward (X_1)	0.721	Reliable
Work–Life Balance (X_2)	0.683	Sufficiently Reliable
Employee Engagement (Y)	0.693	Sufficiently Reliable

All variables exceeded the Cronbach's Alpha threshold of 0.60, indicating adequate internal consistency. Reward (X_1) yielded the highest alpha (0.721), while both Work–Life Balance and Employee Engagement were in the sufficiently reliable range (0.683 and 0.693 respectively). The instruments are therefore suitable for further analysis.

Classical Assumption Tests

Normality Test

The normality assumption was assessed using a histogram, Normal P-P Plot, and Kolmogorov-Smirnov test. The histogram showed a symmetric, bell-shaped distribution. Residual data points in the P-P Plot were distributed closely along the diagonal line without significant deviations, indicating an approximately normal distribution. The Kolmogorov-Smirnov significance value was greater than 0.05, confirming that the residuals are normally distributed and that the normality assumption for the regression model is satisfied.

Table 9. Normality Test Summary

Test Method	Result	Conclusion
Histogram	Symmetric, bell-shaped	Normal
Normal P-P Plot	Points follow diagonal line	Normal
Kolmogorov-Smirnov	Sig. > 0.05	Normal

Multicollinearity Test

Table 10. Multicollinearity Test Results

Variable	Tolerance	VIF
Reward (X_1)	0.478	2.094
Work–Life Balance (X_2)	0.478	2.094

Both independent variables had Tolerance values of 0.478 (> 0.10) and VIF values of 2.094 (< 10), indicating the absence of multicollinearity in the regression model.

Heteroscedasticity Test

Table 11. Heteroscedasticity Test (Scatterplot)

Test	Observation	Conclusion
Scatterplot	Data points scattered randomly around zero axis without pattern	No heteroscedasticity

The scatterplot showed that residual data points were randomly scattered above and below the zero axis without forming any specific pattern, indicating that homoscedasticity is present and the heteroscedasticity assumption is not violated.

Multiple Linear Regression Analysis

Table 12. Multiple Linear Regression Results

Variable	Unstandardized Coefficient (B)	Std. Error	t	Sig.
Constant (a)	44.113	—	—	—
Reward (X_1)	0.061	—	−1.339	0.183
Work–Life Balance (X_2)	0.297	—	3.243	0.002

The regression equation derived from the analysis is: $Y = 44.113 + 0.061X_1 + 0.297X_2$. The constant value of 44.113 indicates the baseline level of employee engagement when both independent variables equal zero. The coefficient of 0.061 for Reward (X_1) indicates a small positive influence on employee engagement, while the coefficient of 0.297 for Work–Life Balance (X_2) shows a stronger positive influence, meaning that each one-unit increase in WLB leads to a 0.297-unit increase in employee engagement, holding other variables constant.

Coefficient of Determination (R^2)

Table 13. Coefficient of Determination

R	R Square (R^2)	Adj. R^2
0.312	0.097	0.079

The R^2 value of 0.097 (9.7%) indicates that reward and work–life balance together explain 9.7% of the variance in employee engagement, while the remaining 90.3% is accounted for by other factors outside the model (e.g., leadership, organizational culture, job satisfaction, work environment). This reflects the multidimensional and complex nature of employee engagement as a construct.

Hypothesis Testing

Partial t-Test

Table 14. Partial t-Test Results (H1 – Reward)

Variable	t-count	t-table	Sig.
Reward (X_1)	−1.339	1.983	0.183

The significance value of 0.183 (> 0.05) and t-count of −1.339 (< t-table 1.983) indicate that Reward (X_1) does not have a significant partial effect on Employee Engagement (Y). Therefore, H_0 is accepted and H_1 is rejected.

Table 15. Partial t-Test Results (H2 – Work–Life Balance)

Variable	t-count	t-table	Sig.
Work–Life Balance (X_2)	3.243	1.983	0.002

The significance value of 0.002 (< 0.05) and t-count of 3.243 (> t-table 1.983) confirm that Work–Life Balance (X_2) has a positive and significant partial effect on Employee Engagement (Y). Therefore, H_0 is rejected and H_2 is accepted.

Simultaneous F-Test

Table 16. Simultaneous F-Test Results

F-count	F-table	Sig.
5.458	3.09	0.006

The F-count of 5.458 (> F-table 3.09) and significance value of 0.006 (< 0.05) confirm that Reward and Work–Life Balance simultaneously have a significant effect on Employee Engagement. Therefore, H_0 is rejected and H_3 is accepted.

Discussion

Effect of Reward (X_1) on Employee Engagement (Y)

The results indicate that reward does not have a significant effect on employee engagement at PT PG Rajawali Jatitujuh Unit II Majalengka (sig. = 0.183 > 0.05). This finding suggests that the reward system has not become a primary determinant of employee engagement in this organizational context. Theoretically, reward is regarded as a factor that can enhance work motivation and engagement (Armstrong & Taylor, 2014); however, its influence is contextual. In a formal manufacturing environment with standardized compensation systems, reward tends to be perceived as a normative entitlement rather than a meaningful form of appreciation, thereby diminishing its psychological motivational power. This aligns with studies indicating that reward does not always significantly influence engagement, particularly in bureaucratic organizations with uniform compensation structures.

Effect of Work–Life Balance (X_2) on Employee Engagement (Y)

Work–life balance has a positive and significant effect on employee engagement (sig. = 0.002 < 0.05; B = 0.297). This finding indicates that the better the balance between work and personal life experienced by employees, the higher their level of engagement. This supports Greenhaus et al.'s (2003) theory that role balance contributes to individual psychological well-being, which in turn forms the basis for positive work conditions — including increased energy, dedication, and work involvement. In the context of PT PG Rajawali Jatitujuh, where work demands are strict and working hours are intensive, work–life balance is a particularly salient factor. When the company provides space for employees to manage their time and personal roles, they tend to respond with more positive work attitudes and higher engagement. These findings are consistent with Shafie et al. (2020) and Ricca Hendarti et al. (2025).

Simultaneous Effect of Reward and Work–Life Balance on Employee Engagement

Simultaneously, reward and work–life balance have a significant effect on employee engagement (F = 5.458; sig. = 0.006 < 0.05). Although reward was not significant in the partial test, its combination with work–life balance contributes to explaining employee engagement variation. The R^2 value of 9.7% reflects the complex, multidimensional nature of employee engagement, which is also shaped by factors such as leadership, organizational culture, job satisfaction, and organizational support that were not included in the current model. Work–life balance demonstrates a more dominant role than reward in this context, suggesting a shift in employee priorities toward life balance over material rewards. These findings are consistent with Putri & Sholikhah (2024) and Marlinah et al. (2025).

CONCLUSION

Based on the empirical analysis of the influence of reward and work–life balance on employee engagement at PT PG Rajawali Jatitujuh Unit II Majalengka, the following conclusions are drawn:

First, reward does not have a significant partial effect on employee engagement (sig. = 0.183 > 0.05; t-count < t-table). The reward system as currently implemented has not served as a direct driver of employee engagement, likely due to its perception as a normative entitlement within the structured manufacturing context. H_1 is rejected.

Second, work–life balance has a positive and significant partial effect on employee engagement (sig. = 0.002 < 0.05; t-count > t-table). Improved work–life balance leads to greater employee engagement, confirming the critical role of psychological well-being in shaping engagement. H_2 is accepted.

Third, reward and work–life balance simultaneously have a significant effect on employee engagement (F = 5.458; sig. = 0.006 < 0.05). H_3 is accepted. However, the R^2 of 9.7% indicates that the majority of employee engagement variance is explained by factors beyond this model.

Companies are encouraged to prioritize work–life balance improvements — such as flexible working hour management, overtime control, and personal time support — as these have been proven to significantly enhance employee engagement. Future research should incorporate additional variables such as leadership style, organizational culture, job satisfaction, and perceived organizational support to provide a more comprehensive explanation of employee engagement.

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