

The Impact of Reward Systems and Employee Training on Work Effectiveness Improvement in Micro, Small, and Medium Enterprises (MSMEs): A Case Study of Mie Besty

Vina Rohmatul Ummah ^{1*}, Malika Risqi ², Indra Lukmanul Khakim ³, Muhammad Alkirom Wildan ⁴

¹ Program Studi Manajemen Fakultas Ekonomi dan Bisnis, Universitas Trunojoyo Madura, Indonesia
Email : vinarohmatulummah727@gmail.com

² Program Studi Manajemen Fakultas Ekonomi dan Bisnis, Universitas Trunojoyo Madura, Indonesia
Email : malishrrish@gmail.com

³ Program Studi Manajemen Fakultas Ekonomi dan Bisnis, Universitas Trunojoyo Madura, Indonesia
Email : indralukman2254@gmail.com

⁴ Program Studi Manajemen Fakultas Ekonomi dan Bisnis, Universitas Trunojoyo Madura, Indonesia
Email : wildan.alkirom69@trunojoyo.ac.id

*Corresponding Author : Vina Rohmatul Ummah

Abstract: In an increasingly competitive business environment, employee performance effectiveness is one of the key factors determining the success of micro, small, and medium enterprises (MSMEs). This study aims to analyze the impact of the reward system and training on employee performance at MSME Mie Besty using a qualitative approach through interviews and observations. The findings indicate that implementing a reward system, both financial (such as salary, bonuses, and incentives) and non-financial (such as recognition, promotions, and workplace facilities), significantly enhances employee motivation and productivity. Additionally, training programs covering technical skills, customer service, and operational management contribute to improving employee competencies and work efficiency. The synergy between the reward system and training fosters a more conducive work environment, increases job satisfaction, and reduces employee turnover rates. Thus, this study emphasizes that the combination of reward strategies and training can serve as an effective solution for improving employee performance in the MSME sector. Therefore, MSMEs are encouraged to implement fair and transparent reward policies and develop continuous training programs to enhance business competitiveness and long-term sustainability.

Keywords: Employee Motivation, MSMEs, Work Effectiveness, Reward System, Training.

1. Introduction

In an increasingly competitive business world competitive , effectiveness Work employee be one of factor key in success A organizations , including Micro , Small, and Medium Enterprises (MSMEs). Effectiveness Work can improved through various strategies, one of which is with apply reward and training system the right employee (Dr. T. Hani Handoko, 2020). The reward system is the mechanism used For give award to employee on performance they with objective increase motivation and productivity Work . The form of reward given can in the form of incentive financial like salary , bonuses and allowances , as

Received: March 30, 2025

Revised: April 14, 2025

Accepted: April 28, 2025

Published: April 30, 2025

Curr. Ver.: April 30, 2025



Hak cipta: © 2025 oleh penulis.

Diserahkan untuk

kemungkinan publikasi akses
terbuka berdasarkan syarat dan
ketentuan lisensi Creative

Commons Attribution (CC BY
SA) (

<https://creativecommons.org/licenses/by-sa/4.0/>)

well as non- financial awards like recognition , promotion position and opportunity development career (Sumarsono, 2003).

Besides reward system , training employees also have role important in increase effectiveness work . According to (Noe, 2020), Training is efforts planned by the company For facilitate learning competencies , knowledge , skills and related behaviors with work for employees . Purpose from training is for employees control knowledge , skills , and behaviors that are emphasized in the training program and implement it in activity work everyday i. Research conducted by (Motlokoe P. Mampuru, 2024). find connection positive between training and development programs with satisfaction work , loyalty and retention staff academic . This is show that effective training can increase loyalty employee .

Training usually organized by the organization or company For help employee to obtain skills and knowledge required in work them . Besides that , training can also done in a way independent by individuals For increase competence they in field certain . According to (Armstrong, 2014), training is use method systematic and planned For increase learning . Approach This can summarized in draft training based on learning , which is one of the effort organization For promote learning .(Mangkunegara, 2011) mention a number of objective training , including improving appreciation soul and ideology , productivity work , quality work , moral attitude , spirit work , and push employee For reach performance maximum .

Besty Noodles UMKM is one of examples of MSMEs that implement reward and training system For increase effectiveness Work its employees . Through giving incentive financial and non- financial rewards , as well as training technical and service customers , this UMKM succeed create environment productive and competitive work . This combination of strategies believed capable increase motivation employees , improve quality services , as well as reduce employee turnover rate (Damas Elvianto, 2023).

On the other hand , the reward and recognition system has become an important strategy in human resource management , in particular in increase motivation employee For reach optimal performance . According to (Ming-Qiang Wang, 2024), Environment positive work own impact significant to discipline work , which in turn increase productivity employees , research by(I.G. Alkandi, 2023) show that awards given in a way structured can increase sense of ownership and loyalty employee to organization . With Thus , integration between training , development , and reward systems become key in building competent and high-performance human resources tall .

However , the effectiveness from reward and training system depends on fair and transparent implementation . Injustice in giving rewards can cause dissatisfaction that has an impact negative on effectiveness Work (Novingky Ferdinand, 2021). Therefore that , research This aiming For analyze How combination reward and training system contribute to improvement effectiveness Work employees at UMKM Mie Besty.

2. LITERATURE REVIEW

Influence Reward System for Effectiveness Work

System award is the method used by a person For give confession to individuals who have do task with well, with objective push they For Keep going do positive and commendable work, so increase Spirit in finish task the (Dr. T. Hani Handoko, 2020). In the context of human resource management, rewards refer to a system of compensation or rewards given to employees as a form of recognition for their contribution, performance, and dedication to their work and the organization. The concept This covers various aspects, such as salary, allowances, incentives, bonuses, and facility or award others given to employee .

(Sumarsono, 2003) explain that For can do management performance with effective, organization must to design new awards. Must be considered form the award that should be given, who is worthy accept it, is it necessary something that is disincentives (punishments)

and assessments what kind of performance used whether in a way objective or in a way subjective. System compensation given company to employee covers wages principal, allowance remain, and incentive based on performance For increase productivity Work (Nurhayati, 2020)

Important For be noticed that the reward is effective No only nature financial, but also can covers non- financial recognition like verbal appreciation, opportunities development career, and environment supportive work. Along with with that, company need ensure that appropriate reward system with culture organization and provide appropriate incentives with values company (Erina Rulianti, 2024). However, the effectiveness Success reward system The reward system is highly dependent on the principle justice, namely giving fair and appropriate rewards with contribution employees. Lack of transparency can bring up dissatisfaction, feeling of not being able to appreciated, until internal conflict that ultimately lower Spirit work and productivity (Maria Clarissa Amadearayaya Karyaadi, 2024).

The more fair reward system, such as salary and bonuses, welfare, as well development career, psychological, and social, then the more tall motivation employee For increase its performance (Ahmad Gunawan, 2023). This factor also influences employee loyalty, because those who feel appreciated tend to have a stronger attachment to the company and show lower turnover rates. More continue, satisfaction work also increases through non- financial rewards like awards and promotions, which give a sense of pride as well as increase comfort in Work.

Influence Training Employee to Effectiveness Work.

Training is one of the method For increase skills, good in a way individual and group, so that can contribute to effectiveness and efficiency organization. With own adequate knowledge and skills in accordance with tasks carried out by employees can help increase efficiency and effectiveness organization in reach goals and objectives that have been set. On the other hand, if employee not enough own knowledge and skills, things This No only will become burden for organization, but will also reduce effectiveness and efficiency organization in reach the goals that have been determined (Boe, 2014).

The main objective of implementing training is, first, to address the gap between employee skills or abilities and existing needs; second, it is hoped that these programs can improve the efficiency and effectiveness of employee performance in achieving predetermined targets (Siswadi, 2016).

Combination Reward System and Training in Increase Effectiveness Work

System rewards and training programs can Work The same For increase productivity work. Effective training can increase performance employees, who are worthy get appreciation. On the other hand, employees who feel valued on his contribution tend more motivated For follow training and implementing skills new in work they. Research show that effective reward system will increase motivation employees, improve satisfaction work, and encourage achievement optimal performance. Combination This create cycle positive where training rewards and mutual strengthen For reach optimal (Maria Clarissa Amadearayaya Karyaadi, 2024)performance. Based on results analysis, (Abdullah, 2017) give conclusion that training have the most dominant influence to Satisfaction Work. Training and Rewarding. together influential In general significant to satisfaction Work.

3. METHODOLOGY

This study use approach qualitative purposeful For understand phenomenon in a way deep based on perspective participants. Approach This allow researcher dig meaning, experience, and interpretation individual to a phenomenon social. For get comprehensive data, research This use two technique main, namely :

a) Interview

Interview is one of the technique frequent data collection used in study scientific . Interview process can done in a way direct with relevant informant or with provide a list of questions to be asked answered at another time. However, the crucial thing For be noticed before do interview is importance compile guidelines the interview that will be functioning as guide during the process. This required for the interview can walk in accordance with objective research and produce information expected by researchers. Interview implemented with semi-structured approach For give freedom in deepening information from resource person. Some element important in implementation the interview we did that is :

- a) Participants : Resource persons chosen use purposive sampling technique, which they determined based on relevance and engagement they in current phenomenon researched.
- b) Interview Guide : Questions arranged based on theme research, but still give chance For exploration more carry on If appear information that is not unexpected.
- c) **Procedure** : Interview done in a way direct (face to face) face) or through the brave platform If required. Interview results recorded and transcribed For needs analysis more carry on.

b) Observation

Observation is one of the methods of data collection in research. By definition, observation can be explained as a series of data collection activities carried out by observing and paying close attention to a phenomenon, which can then be used as data to explain the phenomenon being studied. (Uma24). Observations were conducted to gain a deep understanding of the context and behavior of participants in their natural environment. The observation methods applied include:

1) Participatory Observation

In this approach, researchers are actively involved in the activities being observed, so they can analyze social dynamics directly.

2) Non-participatory Observation

In this method, the researcher functions as an observer who is not involved in the interaction, so he can provide a more objective point of view.

For ensure data validity, research this is what we adopt some systematic strategies. Triangulation source done with method compare the data obtained from interviews, observations, and documents Supporter others, with objective For increase validity findings. In addition that, checking implementation member done with confirm results interview to informant, use ensure conformity interpretation that has been conducted. Research it also implements an audit trail, namely recording Details from every step research, so that the data analysis process can traced return If required.

4. RESULTS AND DISCUSSION

Besty Noodles UMKM apply a number of types of rewards for increase motivation and effectiveness Work employees, including :

a) Financial Rewards

Besty Noodles UMKM apply system award as effort For increase performance and motivation employee. Performance bonus given to employee own performance good and good service, as form appreciation to contribution they in guard quality and productivity business. Besides that, incentives are also given to employee with level high attendance as well as without delay, use push discipline work and efficiency operational. Furthermore, UMKM Mie Besty apply policy increase wages in a way periodic based on evaluation performance individual, so that can create environment competitive, productive and sustainable work.

b) Financial Rewards

Besty Noodles UMKM apply various policy appreciation For increase motivation and performance employee. One of the form awards given is “ Employee Best Month This ”, which is accompanied by with certificate , acknowledgement in advance team , and display Photo employee selected as form respect on dedication and contribution. Besides that , the company also provides chance promotion position or improvement not quite enough answer for employees who show performance superior, useful push development professionalism and loyalty they to company. As additional, UMKM Mie Besty give facility Supporter in the form of Eat free lunch for employees, with objective increase welfare employee as well as build atmosphere more work comfortable and productive.

Based on results research and observation , application reward system at MSME Mie Besty impact positive to effectiveness Work employee in a number of aspects. Giving incentives and rewards in environment MSME work implemented in Mie Besty contribute significant to improvement motivation employee. Employee feel more pushed For Work in a way maximum Because know that effort and contribution they appreciated by the company. Besides that, the existence proven incentives and bonuses push improvement productivity, where employees more motivated For finish task with more fast and effective.

UMKM Mie Besty also organizes a series of training programs For increase quality products and services provided, including training technical, service customers , and management operational. In training technical, employee taught about making and serving noodles in accordance standard quality company as well as use tools and technology For increase efficiency and consistency product. Training service customer focus on development skills communication For repair interaction with consumers and management complaint customer use increase satisfaction and loyalty. In addition that, training management operational covering management stock material standard For ensure optimal availability and minimizing waste, and management time and task For increase effectiveness production and distribution. Through these programs, UMKM Mie Besty make an effort increase competence employees to be able to adapt with dynamics industry food, support growth and desire business, and increase Power

competition in an increasingly competitive market competitive. Impact combination awards and training at UMKM Mie Besty Alone is :

- a) Production Employee Increased : Training increase skills technical, and bonus incentives employee For Work more hard .
- b) Improvement Quality Services : Well -trained and motivated employees can give service more customers Good.
- c) Efficiency in the Production Process : In the production process, the combination training and rewards reduce time and materials waste raw materials.
- d) Retention Employee Higher : Companies tend to maintain employees who feel appreciated and have chance For proceed.

Table 1 : Findings Study The Influence of Rewards and Training to Effectiveness Work at UMKM Mie Besty

No	Variables	Findings	Impact to Employee
1	Financial Rewards	Performance bonus, incentives presence, and increase wages periodic	Increase motivation, productivity, and discipline Work
2	Financial Rewards	Award employee best, promotion position, eat free afternoon	Increase loyalty, satisfaction work and spirit Work
3	Technical Training	Training making noodles, usage tool modern production	Increase skills technical and quality product
4	Training Service Customer	Training communication and management complaint customer	Increase quality service and satisfaction consumer
5	Training Management Operational	Training management stock and management time production	Increase efficiency operational and reduce waste
6	Combination of Rewards and Training	Integration of rewards and training programs sustainable	Increase productivity, efficiency, quality services, and retention employee

Source : Processed from results interview and observation of UMKM Mie Besty, 2025.

5. CONCLUSION

Based on results research that has been done about influence reward and training system to effectiveness Work employees at UMKM Mie Besty, can concluded a number of matter as following :

a. Influence Reward System for Effectiveness Work Employee

reward system implemented by UMKM Mie Besty, both in form financial both financial and non- financial, proven increase motivation and productivity employees. Incentives such as bonuses, increases salary and benefits increase satisfaction work, while non-financial awards like recognition and promotion position strengthen loyalty employee to company. With there are fair and transparent rewards for employees pushed For Work more effective and efficient.

b. Influence Training to Effectiveness Work Employee

The training programs implemented include training technical, service customers, and management operational, contributing in a way significant in increase skills and competencies employees. Training This No only help increase quality products and services, but also improve efficiency work and management time, which in the end impact on effectiveness Mie Besty UMKM operations.

c. Combination Reward and Training System in Increase Effectiveness Work Employee

Combination between reward and training system produce effect synergistic contribution to improvement effectiveness Work employee in a way Overall . Training increase skills employees, while reward system provides incentive for employee For apply skills that have been obtained in work them. Impact positive from combination This covering improvement productivity, quality more services good, efficiency in the production process, as well as retention more employees tall.

6. RESULT AND DISCUSSION

Based on the conclusion that has been described, there is some suggestions that can given For increase effectiveness Work employees at UMKM Mie Besty and other MSMEs :

1) Optimization and Transparency Reward System

Besty Noodles UMKM need Keep going ensure that reward system is implemented in a way fair, transparent and appropriate with performance employees. In addition that, diversification forms of reward, such as welfare programs additional and awards based on performance term long, can be an effective strategy For maintain high achieving employees.

2) Continuous Training Program Development

Training employee should done in a way periodic and adjusted with development industry as well as need company. UMKM Mie Besty can Work The same with institution training professional or use technology digital learning for increase effectiveness of training programs.

3) Improvement Involvement Employee in Decision -making

Involving employee in reward and training program planning can increase sense of belonging and involvement they to company. Discussion routine or survey satisfaction employee can used For identify needs and expectations they related incentives and training provided.

4) Strategy Evaluation and Adjustment

Evaluation periodic to effectiveness reward systems and training programs are essential for companies can adjust strategy to ongoing needs developing. Besty Noodles UMKM can apply method evaluation performance data based for measure impact from policies implemented.

Referensi

- [1] adar BakhshBaloch, Q. 2017. “No主観的健康感を中心とした在宅高齢者における健康関連指標に関する共分散構造分析Title.” 11(1): 92–105.

- [2] Alkandi, Ibrahim Ghazi, Mohammed Arshad Khan, Mohammed Fallatah, Ahmad Alabdulhadi, Salem Alanizan, and Jaithen Alharbi. 2023. "The Impact of Incentive and Reward Systems on Employee Performance in the Saudi Primary, Secondary, and Tertiary Industrial Sectors: A Mediating Influence of Employee Job Satisfaction." *Sustainability (Switzerland)* 15(4). doi:10.3390/su15043415.
- [3] Boe, Ismenia. 2014. "The Influence of Training Programs and Work Motivation on Civil Servant Performance at the Presidential Office of the Republic of Timor Leste." *E-Journal of Economics and Business*, Udayana University, ISSN: 2337-3067 3(10): 559–80. <https://ojs.unud.ac.id/index.php/EEB/article/download/9652/7686>.
- [4] Clarissa, Maria, Amadearaya Karyaadi, Intan Fairuz Hudiyah, and Rieke Amaylinda Rahmatillah. 2024. "Decision Making Strategy in Giving Rewards to Increase Worker Motivation." 2(2): 1–12.
- [5] FMB Tutumena., C.Kojo., FGWorang. 2017. "The Effect of Training and Work Motivation on Employee Performance At PT Pegadaian (Persero) Regional Office V Manado." *Emba* 5(2): 2124–32.
- [6] Ferdinand, Novingky, and Ahmad Satibi. 2021. "The Effect of Awards on Minimarket Employee Performance." *Journal of Business and Financial Management* 2(1): 30–37. doi:10.51805/jmbk.v2i1.31.
- [7] Gunawan, Ahmad, Edi Sopandi, Mayylisa Salsabila, Muhammad Idham Pangestu, and Rachmah Assifah. 2023. "Journal of Management, Volume 11 No 1, January 2023." *Management* 11(1): 1–9.
- [8] Jusman, Ikhsan Amar. 2022. "The Role of Organizational Culture, Rewards, and Leadership Models to Employee Work Commitment." *Civil Multidisciplinary Journal* 2(3): 1521–32. doi:10.54259/mudima.v2i3.487.
- [9] Rulianti, Erina, Giri Nurpersonal, and Febrianti Awaliyah. 2024. "The Effect of Direct Financial Compensation, Job Performance Appraisal and Physical Work Environment on Employee Job Satisfaction." *Daengku: Journal of Humanities and Social Sciences Innovation* 4(2): 356–66. doi:10.35877/454ri.daengku2530.
- [10] Siahaan, Yuni Listya Owada, and Rini Intansari Meilani. 2019. "Compensation System and Job Satisfaction of Non-Permanent Teachers in a Private Vocational School in Indonesia." *Journal of Office Management Education* 4(2): 141. doi:10.17509/jpm.v4i2.18008.
- [11] Siswadi, Yudi. 2019. "The Influence of Training and Discipline on Employee Work Productivity at PT. Jasa Marga Branch (Belmera) Medan." *Scientific Journal of Management and Business* 17(01): 124–37.
- [12] Ummah, Masfi Sya'fiatul. 2019. 11 *Sustainability (Switzerland)* 健康関連指標に関する共分散構造分析 Title . http://scioteca.caf.com/bitstream/handle/123456789/1091/RED2017-Eng-8ene.pdf?sequence=12&isAllowed=y%0Ahttp://dx.doi.org/10.1016/j.regsciurbeco.2008.06.005%0Ahttps://www.researchgate.net/publication/305320484_SISTEM_PEMBETUNGAN_TERPU_SAT_STRATEGI_MELESTARI.
- [13] Wang, Ming-qiang, Shi-kun Guo, Peng-fei Guo, Juan-juan Yang, Guo-ai Chen, Douglas Chesters, Michael Orr, et al. 2024. "9 Forest Nature Conservation, University of Göttingen, Büsgenweg 3, 37077, Göttingen, Germany 10 State Key Laboratory of Vegetation and Environmental Change, Institute of Botany, Chinese Academy of Sciences, 20 Nanxincun, Xiangshan, Haidian Dist." : 1–31.
- [14] Wang, Yunpei, Tao Wang, and Qingnian Wang. 2024. "The Impact of Digital Transformation on Enterprise Performance: An Empirical Analysis Based on China's Manufacturing Export Enterprises." *PLoS ONE* 19(3 March): 1–23. doi:10.1371/journal.pone.0299723.