

ABSTRACT

This study aims to analyze the effect of intrinsic reward and extrinsic reward on employee performance with innovative work behavior as an intervening variable in employees of KSPPS BMT An Najah Pekalongan. Specifically, this study examines how both types of rewards affect employee performance, as well as whether innovative work behavior plays a role in the relationship.

This study uses a quantitative method with a Structural Equation Modeling (SEM) approach. Data were collected through questionnaires distributed to 76 respondents who were employees of KSPPS BMT An Najah Pekalongan. Data analysis was carried out using the Smart Partial Least Square (Smart-PLS) application version 4.1.0.9.

The results of the study indicate that: (1) Intrinsic Reward have a positive and significant effect on Employee Performance; (2) Extrinsic Reward also have a positive and significant effect on Employee Performance; (3) Intrinsic Reward have a positive and significant effect on Innovative Work Behavior; (4) Extrinsic Reward have a negative and insignificant effect on Innovative Work Behavior; and (5) Innovative Work Behavior does not have a significant effect on Employee Performance.

Keywords : *Employee Performance, Extrinsic Reward, Intrinsic Reward, Innovative Work Behavior.*