

## **The Role of Reward Systems on the Productivity of Millennial and Gen Z Employees at PT Equityworld Futures Surabaya in the Industry 5.0 Era**

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### **ABSTRACT:**

*Industry 5.0 demands that companies develop reward systems that can increase employee motivation and productivity, especially among Millennials and Generation Z. This study uses a qualitative case study approach to examine the influence of financial and non-financial rewards at PT Equityworld Futures Surabaya. The findings indicate that bonuses and commissions are the main drivers of productivity, while non-financial rewards such as promotions, training, and overseas travel programs strengthen intrinsic motivation and loyalty. A reward system that aligns with the needs of the younger generation helps create a competitive and positive work environment, although target pressure remains a challenge that needs to be managed. Overall, the combination of financial and non-financial rewards plays a significant role in increasing employee productivity in the Industry 5.0 era.*

*Keywords: Reward System, Employee Productivity, Millennials, Generation Z, Industry 5.0, Work Motivation, Financial Rewards, Non-Financial Rewards.*

### **INTRODUCTION**

The Industry 5.0 era presents new challenges for companies in managing human resources. While automation, digitalization, and human-machine interaction are rapidly developing, the role of humans remains crucial, particularly in terms of service, creativity, and adaptability to rapid change. In this context, implementing an appropriate reward system is a crucial strategy for organizations to maintain employee motivation, performance, and productivity (Figueiredo et al., 2025).

Millennials and Generation Z, who currently dominate the workforce in many companies, have different characteristics and work priorities than previous generations, including preferences for flexibility, recognition, opportunities for self-development, and a work environment that supports work-life balance (Sunaryanto & Idrus, 2025). Therefore, traditional reward systems based solely on financial compensation may be inadequate; non-financial rewards such as recognition, career advancement, flexibility, and concern for well-being are becoming increasingly relevant.

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Empirical research shows that reward systems, both financial and non-financial, significantly influence employee motivation, job satisfaction, and performance, which in turn impact productivity. For example, among millennials in Bima City, rewards and work motivation were found to contribute significantly to work productivity (Fitrianingsih et al, 2025). Similarly, research in Indonesia involving millennials and Gen Z showed that the combination of pay, job security, and supportive working conditions, through the mediation of job satisfaction, influenced performance and productivity (Laksmi et al., 2024).

There are important research gaps that make this study relevant. First, many previous studies have discussed rewards in general on performance or retention, but few have specifically compared the impact of reward systems on productivity between millennials and Gen Z in a single study, even though these two generations have different characteristics and expectations regarding rewards (Abdul et al., 2025). Second, few studies have explored the context of brokerage/securities or financial firms like PT Equityworld Futures, even though the work dynamics in these sectors can be different from those in manufacturing, retail, or general services. Third, with the transition to Industry 5.0, there is a need to reexamine the forms of relevant reward systems, whether traditional rewards or not. is sufficient, or needs to be accompanied by non-financial rewards, work flexibility, and appreciation for non-quantitative contributions.

With this background, this study aims to explore in depth how the reward system affects the productivity of millennial and Gen Z employees at PT Equityworld Futures Surabaya in the context of Industry 5.0. This study is expected to contribute not only to the academic literature on human resource management and reward systems, but also provide practical recommendations for companies in designing reward systems that are in accordance with the characteristics of the generations and the demands of the modern work environment.

## **METHODS**

A qualitative research method using a case study approach is a method used to understand a phenomenon in depth through direct observation in a real-life context. This approach emphasizes detailed data collection from a specific case so researchers can gain a comprehensive picture of the situation being studied. As Creswell (2018) explains, case studies are used when researchers want to explore complex issues and require direct understanding of the experiences of individuals or groups within a specific context (Creswell, J.W., 2018).

The case study approach is highly appropriate when researchers attempt to answer the questions "how" and "why" a phenomenon occurs. Yin (2018) states that case studies are relevant when the phenomenon under study cannot be separated from its real-life context, as researchers need to understand the processes, relationships, and dynamics that occur directly in the field. Thus, this method not only describes empirical data but also interprets the meaning contained therein (Yin, R. K, 2018). In this research, a qualitative case study approach was applied to deeply understand how the reward system plays a role in increasing the productivity of Millennial and Gen Z employees at PT Equityworld Futures Surabaya in the Industry 5.0 era. The selection of one case from one company was chosen because the phenomenon being studied is specific and requires a contextual understanding of reward strategies and their impact in real-life work conditions. The purpose of this research is not to make broad

generalizations, but to provide an in-depth description and holistic understanding of how the reward system is implemented (Stake, 1995).

Research data was collected through in-depth interviews, direct observation, and supporting documentation. Interviews were used to explore the views, experiences, and subjective interpretations of Millennial and Gen Z employees regarding the company's reward system. Observations were conducted to directly observe working conditions, organizational culture, and interactions between employees and management in carrying out their duties. Documentation such as promotional materials, internal regulations, and company reports complemented the collected data. The use of various data sources was part of a triangulation effort to increase the validity of the findings (Miles et al., 2014). The observations showed that PT Equityworld Futures Surabaya implements various forms of structured rewards to increase employee motivation and productivity. The rewards provided are not only financial compensation but also include non-financial rewards that support career development and personal satisfaction. This reward system is given based on the achievement of targets that have been set and monitored periodically by management.

Interviews with several Millennial and Gen Z employees revealed that financial rewards, such as performance bonuses and commissions, are the most motivating form of recognition for their efforts. These incentives are seen as direct appreciation for their efforts and a strong motivator for maintaining their performance. Many employees reported that financial incentives help boost work morale and support their financial stability. In addition to financial rewards, the company also provides non-financial rewards such as promotion opportunities, accommodation, and even overseas vacation programs for high-performing employees. The opportunity for career development is a key attraction for young employees, while accommodation and overseas travel provide valuable experiences that foster pride and loyalty to the company.

Informants revealed that these rewards significantly increased motivation and work productivity. The work environment became competitive yet healthy because rewards were distributed fairly based on individual achievement. Employees felt challenged to continuously improve their skills and productivity because the rewards were tangible and meaningful, both financially and in terms of personal experience. Interview findings also indicated that Millennials and Gen Z felt the company's reward system was well-suited to their needs and characteristics, who value recognition, self-development, flexibility, and work-life balance. This demonstrates that the reward system plays a strategic role in increasing productivity and work commitment, while simultaneously creating a positive work culture.

The reward system at PT Equityworld Futures Surabaya plays a significant role in increasing the productivity of Millennial and Gen Z employees through a combination of financial and non-financial rewards that motivate both materially and psychologically. Through a qualitative case study approach, this research provides an in-depth understanding of reward practices in real-world workplaces and can serve as a basis for developing more adaptive HR management strategies in the Industry 5.0 era.

## **RESULTS AND DISCUSSION**

### **Company Overview**

PT Equityworld Futures Surabaya is a futures brokerage company focused on trading commodities, indices, and other derivative contracts. As part of the financial industry, which demands analytical accuracy, speed of execution, and disciplined target achievement, the company implements a structured performance management system to ensure optimal employee productivity. The company's organizational structure demonstrates a clear division of roles between operations, marketing, analysis, and management. Millennials and Gen Z employees dominate the workforce, particularly in the marketing and analysis departments. The adaptive, competitive, and responsive characteristics of these generations align with the demands of a dynamic brokerage job.

Research result

### **Observation Findings**

Observations at PT Equityworld Futures Surabaya indicate that the company has successfully built a conducive work environment for increasing the productivity of young employees, particularly those from the Millennial and Gen Z generations. Daily work activities are dominated by marketing activities, prospect data processing, and financial consulting, which require precision and intensive communication, thus creating a fast and competitive work rhythm. The company implements daily and weekly performance evaluations through briefings led directly by supervisors, which contain strategic directions, reviews of previous target achievements, and identification of emerging obstacles. Performance monitoring is carried out continuously through prospect results reports and daily work activity assessments, so that management can monitor employee performance movements in real-time.

Observations also show that the reward system is integrated with performance monitoring mechanisms. Employees who achieve targets receive open recognition through internal notifications and direct appreciation from supervisors and management. This visible recognition creates a competitive yet healthy work environment, as each employee feels they have an equal opportunity to earn rewards based on their individual achievements. Thus, the integration of the evaluation and reward systems successfully creates a strong incentive for employees to work more productively and be results-oriented.

### **Interview Findings**

In-depth interviews with Millennial and Gen Z employees indicate that financial rewards are a key motivator for increasing work productivity. Bonuses and commissions are considered the most concrete and immediately beneficial forms of appreciation, especially for young employees seeking economic stability. Financial incentives motivate them to pursue targets, expand their client network, and improve their marketing approach. Furthermore, employees also respond positively to non-financial rewards offered by the company. Promotion opportunities, overseas travel programs, and accommodation during training are seen as recognition of abilities and achievements that not only influence motivation but also foster pride and loyalty to the company.

Interviews also revealed that a clear reward system plays a crucial role in shaping employee motivation and productivity. The clearer the reward mechanism, the greater employees' confidence that their efforts are fairly recognized. This transparency creates a sense of security and encourages employees to improve their performance. Furthermore, the implemented reward system is considered highly aligned with the characteristics of Millennials and Gen Z, who prioritize self-development, flexibility, recognition, and explicit appreciation. These findings confirm that the company has been able to adapt its reward strategy to the needs and preferences of the younger generation that dominates the workforce, thus positively impacting productivity.

## **DISCUSSION**

### **Effectiveness of Financial Rewards on Productivity**

Financial rewards in the form of bonuses and commissions have been proven to have a direct impact on increasing employee productivity. In the context of target-based work, such as at PT Equityworld Futures, financial incentives are a key driver because they provide measurable rewards commensurate with effort. Employees respond to this reward system by increasing work intensity, improving their marketing approach, and striving to achieve targets more quickly. Thus, financial rewards serve as an effective transactional motivator, driving optimal performance in a highly competitive work environment.

### **The Role of Non-Financial Rewards as Psychological Motivators**

Non-financial rewards have a strong motivational impact on employee psychology. Promotion opportunities, overseas travel experiences, and company-provided personal development opportunities create a sense of appreciation, boost self-confidence, and strengthen employees' professional identity. For Millennials and Gen Z, non-financial rewards serve not only as a token of appreciation for achievement but also as a source of pride and intrinsic motivation. Therefore, non-financial rewards contribute to strengthening long-term commitment and increasing loyalty to the company.

### **The Suitability of the Reward System with the Characteristics of the Millennial and Gen Z Generations**

This research shows that company reward systems are highly aligned with the characteristics of Millennials and Gen Z, who desire recognition, development opportunities, flexibility, and a supportive work environment. Employees from this generation have high expectations for explicit recognition and opportunities to demonstrate their abilities. By providing a balance of financial and non-financial rewards, companies can meet these needs and create a work environment that aligns with the values of the younger generation. This alignment ultimately increases work motivation and strengthens the relationship between rewards and productivity.

## **The Impact of Reward Systems on Employee Productivity**

Overall, the reward system has a significant positive impact on employee productivity. Employees demonstrate increased discipline, active engagement in work activities, and the ability to consistently achieve targets. The combination of financial and non-financial rewards creates a dual motivational framework—extrinsic and intrinsic—that complement each other in encouraging productive behavior. A clear, structured reward system that aligns with performance evaluation mechanisms fosters a healthy, competitive work culture, ultimately strengthening the productivity of Millennial and Gen Z employees within the company.

## **DISCUSSION**

The results of this study confirm that the reward system significantly contributes to increasing employee productivity at PT Equityworld Futures Surabaya. This finding aligns with the concept of performance management theory, which states that rewards serve as a strategic instrument to foster motivation, discipline, and work engagement. In other words, rewards are not merely a form of compensation but also a catalyst for fostering productive work behavior in a competitive, goal-oriented work environment.

First, in terms of work effectiveness, financial rewards have been shown to be a key driver in increasing the achievement of daily and weekly targets. Bonuses and commissions provide immediate, tangible rewards, thereby stimulating work intensity, speed of task completion, and thoroughness in marketing and prospect management processes. This impacts the company's operational efficiency, as employees strive to maximize performance to obtain greater rewards. This consistent finding aligns with previous research confirming that financial incentives have a strong influence on increasing extrinsic motivation and performance outcomes.

Second, from a psychological and individual development perspective, non-financial rewards play a crucial role in building intrinsic employee motivation. Rewards such as promotion opportunities, travel programs, training, and direct recognition provide a sense of appreciation that can boost self-confidence and strengthen professional identity. Non-financial rewards also encourage employee retention and long-term loyalty by providing opportunities for self-development that are not only routine but also aligned with individual career aspirations. Thus, non-financial rewards not only improve the quality of work engagement but also strengthen employees' emotional connection to the company.

Third, despite its significant benefits, this study also identified several challenges that require attention. High target pressure, a consequence of an achievement-based reward system, can potentially lead to burnout and unhealthy internal competition if not managed properly. Furthermore, employee relationship dynamics can be affected when work orientation is too focused on individual results. These findings highlight the need for a balance between reward and stress management strategies to increase productivity without negatively impacting mental health or teamwork.

To address these challenges, companies need to implement a more integrative performance management approach. This approach includes strengthening daily monitoring systems, providing more constructive feedback, and providing psychological support that can maintain employee mental stability amidst increasing work demands. Furthermore, reward systems need to be balanced with team collaboration mechanisms to maintain healthy

competition and prevent employee cohesion. This strategy can helping companies maintain productivity stability while creating a conducive and supportive work environment.

### **Key Findings**

a. Financial rewards directly increase productivity

Research shows that bonuses, commissions, and financial incentives are the most powerful factors in driving increased employee productivity. A target-based work system makes financial rewards feel relevant and fair, as the amount of the reward is proportional to the results achieved. Millennial and Gen Z employees respond positively to this mechanism by increasing work intensity, expanding their network of prospects, and improving marketing techniques. This effect aligns with extrinsic motivation theory, which emphasizes that economic rewards can accelerate target achievement and encourage optimal performance.

b. Non-financial rewards strengthen intrinsic motivation and loyalty

Financial incentives: Companies offer non-financial rewards such as promotional opportunities, travel programs, and training facilities. Interview findings indicate that this form of recognition has a significant psychological impact. Employees feel valued, gain confidence, and feel proud to be part of the company. Non-financial rewards also boost long-term motivation by providing career development opportunities and a stronger professional identity.

c. Suitability of the reward system to the characteristics of the younger generation

Millennials and Gen Z prioritize explicit recognition, flexibility, transparency, and opportunities for growth. Company reward systems have proven to be highly aligned with these values. Clear performance appraisal mechanisms, real-time monitoring, and open recognition make employees feel fairly valued. This alignment reduces potential value tensions between the company and employees, while increasing work motivation and engagement in marketing and analytics activities.

d. Challenges: target pressure and competitive work dynamics

Although rewards improve performance, observational findings indicate high work pressure due to the daily and weekly target system. The fast-paced work pace can potentially lead to burnout if not managed effectively. Some employees stated that intense internal competition can hinder collaboration. This situation highlights the importance of balancing productivity demands with work stress management, so that the benefits of rewards are not accompanied by negative impacts on mental health.

e. Integrating performance evaluation with rewards creates a healthy competitive work culture.

The company implements regular briefings, real-time performance monitoring, and daily reporting that are directly linked to the reward system. This integration allows employees to clearly monitor achievements and understand areas for improvement. This transparency fosters a sense of fairness and accountability, fostering a healthy, competitive work culture. Employees are encouraged to work with greater discipline and are motivated by the provision of equal opportunities and recognition for each individual.

## CONCLUSION

This study explains that the reward system plays a significant role in increasing the productivity of Millennial and Gen Z employees at PT Equityworld Futures Surabaya, especially in the Industry 5.0 Era, which is characterized by speed, accuracy, and high levels of competition. First, financial rewards, including bonuses and commissions, have been shown to be a powerful driving factor in increasing employee extrinsic motivation. Employees perceive the financial rewards they receive as commensurate with their efforts, leading to greater discipline, increased work intensity, and target achievement. Second, non-financial incentives such as promotion opportunities, training, accommodation, and overseas travel have a significant psychological impact. These rewards are accompanied by feelings of appreciation, increased self-esteem, loyalty, and motivation. Furthermore, these rewards align with the values favored by the younger generation, which emphasize recognition, experiential rewards, and opportunities to develop skills. Third, the company's reward system has been proven to align with the characteristics of Millennials and Gen Z, who require a high level of transparency.

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