



## Transformation of Reward Systems to Enhance Employee Engagement in the Digital Platform Work Environment: A Literature Review

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### ABSTRACT

The transformation of reward systems in the digital work era has become a strategic issue in human resource management. Reward systems are crucial not only as tools of appreciation but also as key mechanisms for building motivation, emotional attachment, and employee loyalty, which ultimately impact organizational performance improvement. This study aims to analyze the contribution of reward systems, both intrinsic and extrinsic to enhance employee engagement in digital platform-based work. Using a literature review method with a descriptive qualitative approach, data collection was conducted through systematic searches and in-depth analysis of relevant scientific literature from journals, books, and trusted articles published. This review examines the forms of rewards, their effectiveness, digital transformation, as well as mediating and moderating factors that influence employee engagement. The findings indicate that fair, personalized, and technology-based rewards significantly increase motivation, loyalty, and employees' emotional attachment. Digitalization enables reward systems to become more adaptive and relevant to the needs of modern workers. The implications of this study emphasize the importance of a humanistic and contextual HR management strategy to address the challenges of a flexible and digitalized work environment.

**Keywords:** *Employee Engagement, Reward, Digitalization, HR Transformation, Platform Work*

### OPEN ACCESS

ISSN 2528-4649 (online)

ISSN 2338-4409 (print)

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Citation:

Received: June, 05, 2025

Accepted: August, 20, 2025

Published: Sept, 17, 2025

JBMP: Jurnal Bisnis, Manajemen dan Perbankan.

Vol: 11 / No. 02

doi: 10.21070/jbmp.v11i2.2184

## 1. INTRODUCTION

The transformation of digital technology in the Industry 4.0 era has driven significant changes in human resource management, particularly through the emergence of digital work platforms, flexible work systems, and the gig economy phenomenon. To build strong employee engagement, organizations need to implement innovative strategies, one of which is through the transformation of reward systems.

According to (Muh Ibnu Sholeh, 2023), rewards are no longer merely tools of appreciation; they have evolved into strategic instruments to foster emotional attachment, commitment, and employees' spirit of contribution to the organization. In the digital ecosystem, the forms of rewards have shifted from conventional to more diverse and symbolic, such as achievement-based incentives through social media, gadget giveaways, and exclusive experience-based rewards like international vacations. This phenomenon is clearly seen in the practices of digital platforms like TikTok affiliate programs, which provide significant rewards to their partners as a form of performance appreciation.

However, these changes also present challenges. According to (Erlianti et al., 2024), digital rewards that are not systematically managed can distort the meaning of appreciation and instead reduce work engagement if perceived as unfair, non-transparent, or personally irrelevant. Low employee engagement in digital work environments is often triggered by the perception that individual contributions are not adequately acknowledged or recognized.

According to (Metris et al., 2025), many organizations that have transitioned to digital or hybrid work systems still lack reward approaches that align with the characteristics of digital workers. Rewards remain uniform and overlook generational differences, personal values, and the dynamics of remote work. As a result, employee engagement decreases, loyalty weakens, and turnover intention increases (Muktamar *et al.*, 2023).

In practice, companies that adopt platform-based work systems often fail to build emotional connections between individuals and the organization because their reward systems do not reflect personal values or digital work culture. This highlights the need for a more contextual and human-centered approach in designing reward systems for the modern workforce.

(Renhoran et al., 2024) reported that the implementation of fair and transparent reward systems has a direct impact on increasing employee engagement, not merely short-term work motivation. Companies that apply achievement-based rewards at both individual and team levels have been proven to reduce turnover and increase employee loyalty. Meanwhile, data from (Fikri et al., 2024) show that employee commitment fluctuation is caused by the organization's lack of attention to the relevance of rewards with the current conditions of digital work.

(Renhoran et al., 2024) research emphasizes the importance of reward systems in maintaining employee engagement with the organization. (Nurchahyo, 2021) found that employee enthusiasm and self-actualization can be achieved when organizations pay attention to both financial and non-financial forms of rewards. However, most of this research remains within the context of conventional work.

Previous literature has not extensively explored the relationship between rewards and employee engagement in the context of digital or platform-based work. Most prior studies, such as those conducted by (Luturmas et al., 2021), (Jaya et al., 2024), and (Agusta & Sahrah, 2020), have focused more on the impact of rewards on engagement within conventional sectors, generally finding that fair and relevant reward systems can enhance employees' work attachment. However, studies by (Suwandi et al., 2024) and (Fathiyyah et al., 2025) highlight that the effectiveness of rewards is heavily influenced by organizational context and workforce characteristics. In the digital work setting, research by (Iwanussoleh Iwanussoleh et al., 2023), (Muhaimin et al., 2025), and (Muktamar et al., 2023) reveals a shift in reward preferences toward non-financial, flexible, and personal achievement-based forms. Other studies, such as those by (Metris et al., 2025) and (Renhoran et al., 2024), emphasize that the lack of alignment between reward systems and the characteristics of digital workers can reduce employee engagement and loyalty. While some of these findings are relevant, there remains a lack of in-depth analysis on how reward systems should be redesigned to align with the interaction patterns and needs of the digital workforce generation.

The novelty of this research lies in its theoretical analysis of the relationship between reward systems and employee

engagement in the context of the digital work environment. This literature review not only examines classical HRM theories but also explores new dynamics in digitized work settings, such as flexible work, platform-based jobs, and reward practices through social media. This study seeks to answer how reward systems can be modified to build strong employee engagement amid technological disruption.

Based on the discussion above, this article aims to examine and analyze the transformation of the reward system as a strategy to enhance employee engagement in platform-based digital work environments. This research uses a literature review approach that explores theoretical and empirical findings from relevant scholarly sources, thus providing conceptual contributions to the development of more inclusive and human-centered digital HRM policies.

## 2. LITERATURE REVIEW

### Reward

Reward is one of the essential components of human resource management that serves as a form of organizational appreciation for employees' contributions. According to Hasibuan in (Saleh & Mardiana, 2021), a reward is the compensation provided by an organization to employees in return for their achievements or contributions toward the attainment of organizational goals. Rewards are categorized into two types: intrinsic and extrinsic. Intrinsic rewards originate from within the individual, such as feelings of satisfaction, recognition, or a sense of ownership over their work. Meanwhile, extrinsic rewards are provided by the organization, including salary, bonuses, allowances, and workplace facilities (Syahril & Nurbiyati, 2016). A fair and transparent reward system not only enhances employee motivation but also strengthens loyalty and commitment to the organization.

### Employee Engagement

Employee engagement refers to the level of emotional and cognitive commitment an employee has toward their work and the organization. (Astari et al., 2022) define employee engagement as a psychological state in which employees fully invest themselves physically, cognitively, and emotionally in their work activities. Engaged employees tend to demonstrate high performance, loyalty, and initiative in their work.

(Falasifa et al., 2025) add that employee engagement is influenced by various factors, including organizational justice, supervisor support, and the reward system applied. In the digital era, employee engagement becomes more challenging due to the rapid changes in the work environment. However, it also opens opportunities to create new approaches to engagement, such as digital rewards, virtual recognition, and technology-based feedback systems. Therefore, engagement strategies must be adapted to the emerging dynamics of the digital workplace, which demands flexibility, connectivity, and innovation.

### Digital Workplace

The digital workplace refers to a transformation in work driven by advancements in information and communication technology, where work activities are no longer bound by time and physical space. According to (Laelawati, 2025), the digital workplace is characterized by the use of technology-based work platforms such as collaborative applications (e.g., Zoom, Slack, Microsoft Teams), digital performance management systems, and flexible work models (remote or hybrid). This transformation affects organizational structure, workplace culture, and the relationship between employers and employees.

On one hand, digitalization promotes efficiency and easier access to information. On the other hand, it presents challenges such as work isolation, digital burnout, and the need for more personalized recognition in virtual communication. In this context, organizations are required to adapt their human resource management strategies, including reward systems and engagement approaches, to remain relevant and effective in retaining and motivating top talent in the digital work environment.

## 3. RESEARCH METHOD

This study employs a descriptive qualitative approach using a literature review method. The type of data used is secondary data, collected through systematic searches in reputable databases such as Google Scholar, Scopus, ResearchGate, SINTA, and

other online platforms. The sources include scientific materials such as international and national journals, books, research reports, and credible articles relevant to the topic of reward systems and employee engagement in the digital workplace. Data collection was conducted through documentation studies by reviewing published literature. The data were analyzed thematically by grouping and examining various theoretical findings and previous research results to produce a conceptual synthesis.

## 4. RESULTS AND DISCUSSION

### 4.1 RESULTS

#### 4.1.1 Reference Journals for Literature Review

The following are journal and book sources from the last five years used to discuss reward systems and employee engagement in the digital workplace.

TABLE 1 | Reference Journals

No	Journal	Title and Author	Research Type	Findings
1	Journal of Social and Economics Research	The Influence of Reward and Recognition on Employee Engagement at PT X. (Jaya et al., 2024)	Quantitative	Rewards and recognition have a significant effect on employee engagement, with a significant value of 0.000 ( $p < 0.05$ ), contributing 29%, while the remaining 71% is influenced by other factors such as reward suitability, consistency, transparency, and recognition of contributions. In PT X's Sales Division, the higher the reward and recognition, the higher the employee engagement.
2	Journal of Administration and Management	The Influence of Competence and Reward on Employee Engagement through Perceived Organizational Support at Raffana Kids Store. (Luturmas et al., 2021)	Quantitative with an explanatory research approach	There is both a direct and indirect influence of competence on employee engagement. The study also found that rewards do not have a direct effect on engagement. However, the role of organizational support can mediate the effect of rewards to enhance employee engagement, and organizational support can partially influence engagement.
3	Thesis, Universitas Indonesia, Faculty of Administrative Sciences	The Influence of Reward on Employee Engagement of Permanent Employees at PT Bank Rakyat Indonesia, Depok Branch Office. (Prasetyo, 2016)	Quantitative descriptive	The findings of this study show that job satisfaction does not have a significant effect on organizational citizenship behavior (OCB). This research can be used by managers to assess the level of employee engagement; however, it is not influenced by employees' perceptions of rewards among subordinates.
4	E-Journal of Management Unud	The Role of Employee Engagement in the Relationship Between Rewards and Internal Communication with Organizational Citizenship Behaviour. (Saputra & Piartrini, 2019)	Quantitative	Rewards and internal communication have a positive and significant effect on employee engagement. Employee engagement mediates the influence of rewards and internal communication on organizational citizenship behavior. The higher the rewards, internal communication, and employee engagement, the greater the organizational citizenship behavior at Akana Boutique Hotel.
5	International Journal of Engineering Technologies and Management Research	The Effect of Reward and Recognition Employee Engagement (Case Study at PT. X Part Directorate H). (Sadilla & Wahyuningtyas, 2023)	Quantitative	Based on the research results, reward has a positive and significant effect on employee engagement, and recognition also has a positive and significant effect on employee engagement.

6	Journal of Trends Economics and Accounting Research	The Influence of Competence and Reward Mediated by Perceived Organizational Support on Employee Engagement. (Dawam et al., 2023)	Quantitative	Competence and Perceived Organizational Support have been proven to have a positive and significant effect on Employee Engagement. Reward also has a positive effect, but it is not statistically significant. To enhance employee engagement, companies need to pay more attention to competence development, reward distribution, and increasing organizational support for employees.
7	Petra International Journal of Business Studies	Reward System, Employee Engagement, and the Role of Employee Satisfaction as Mediating Variable. (Marleya et al., 2022)	Quantitative	The data analysis results show that employee satisfaction partially mediates the relationship between the reward system and employee engagement.
8	American International Journal of Business and Management Studies	Impact of Reward and Recognition, Supervisor Support on Employee Engagement. (Baqir et al., 2020)	Quantitative	The results show that reward & recognition and supervisor support can engage employees for better performance. Hence, employees' engagement can improve through the reward and recognition and supervisor support.
9	Institution: Nelson Mandela Metropolitan University	The Contribution of Reward Systems to Enhance Employee Engagement. (Liberty, 2017)	Quantitative	The study examines the relationship between reward systems and employee engagement at Transnet Engineering in Swartkops. It reveals that effective financial and non-financial rewards significantly enhance employee engagement levels. Employees who feel recognized for their performance demonstrate greater commitment and motivation. The research emphasizes the importance of clear communication about reward criteria and suggests involving employees in decision-making processes related to rewards. Overall, the findings highlight that structured reward systems are crucial for fostering a more engaged and productive workforce.
10	Journal of Management, Leadership, and Educational Supervision	The Effect of Work-life Balance and Reward System on Turnover Intention with Employee Engagement as An Intervening Variable. (Putri et al., 2024)	Quantitative	The study reveals that although fair reward practices were implemented across three organizations in the Information Technology sector, there were differences in perception among employee groups regarding the categories of rewards and their attitudes toward the role of rewards in employee engagement.
11	International Journal of Hospitality & Tourism Systems	Impact of Reward, Recognition and Welfare on Employee Engagement. (Chand et al., 2022)	Quantitative	It can be inferred that if rewards, recognition and welfare resources are offered to employees then there will be a corresponding change in employee engagement. It means the better the rewards, recognition and welfare, the higher the levels of employee engagement and possibly therefore, the greater the levels of performance and productivity.

12	Thesis, Telkom University (Telecommunication & Informatics Business Management)	The Influence of Reward and Recognition on Employee Engagement (A Study at PT. X, Directorate H). (Sadilla, 2023)	Quantitative	Reward and recognition play an important role in enhancing employee engagement at PT. X, Directorate H. In this context, management needs to pay attention to reward policies that align with employee contributions, while also ensuring that recognition is provided consistently and fairly.
13	International Letters of Social and Humanistic Sciences	Impact of Rewards and Leadership on the Employee Engagement in Conventional Banking Sector of Southern Punjab. (Benazir & Iqbal, 2015)	Quantitative	The results indicate positive impact of reward and leadership on employee engagement. The paper provides evidence to suggest that management focuses on enhancing the skills of the employees through proper coaching, leadership, and motivation.
14	International Journal of Business and Administrative Studies	The Impact of Intrinsic Rewards on Employee Engagement in The Food Industry in Bosnia and Herzegovina. (Pandzic & Hadziahmetovic, 2022)	Quantitative	Positive and significant relationship exists between intrinsic rewards and employee engagement, which proves that autonomy is an essential ingredient in the engagement of employees.
15	Journal of Asian Finance, Economics and Business	Employee Engagement and Motivation as Mediators between the Linkage of Reward with Employee Performance. (Siswanto et al., 2021)	Quantitative	The result shows that the reward does not have a direct influence on the performance of employees. However, it has a significant positive effect on the performance of employees through employee engagement.
16	International Academic Journal of Human Resource and Business Administration	Effect of reward on employee engagement and commitment at Rift Valley Bottlers Company. (Kimutai & Sakataka, 2015)	Quantitative	The study results indicate that rewards have a significant impact on employee engagement at Rift Valley Bottlers Company. Direct financial benefits, such as promotions and salaries, were found to be key factors in enhancing engagement. In addition, indirect financial benefits, such as health and education, also contribute significantly to employee engagement. On the other hand, interactions with colleagues and opportunities to voice opinions increase commitment. Overall, various forms of rewards, both financial and non-financial, are crucial in boosting employee engagement within the company.
17	Formosa Journal of Sustainable Research	Analysis of the Influence of the Performance Measurement System (HR Scorecard) and Rewards on Employee Performance With Employee Engagement as an Intervening Variable at PT BANK ABC Jakarta Area (National Private Bank KBMI 2).(Utomo & Safaria, 2025)	Quantitative	The study also shows a significant positive relationship between performance measurement systems (HR Scorecard) and rewards on employee engagement at PT Bank ABC. Rewards given to employees were proven to enhance their engagement, which in turn contributes to improved employee performance. In other words, the better the rewards are received, the higher the employee engagement, which positively impacts their work performance.
18	JITET (Journal of Informatics and Applied Electrical Engineering)	Performance Assessment Based on Gamification and 360-Degree Feedback to Enhance Employee Engagement in a Web-Based HRIS Application (Wulandari et al., 2025)	Quantitative	The findings contribute to the development of an adaptive HRIS system that can enhance employee engagement and support data-driven decision-making in digital human resource management.
19	Journal of Human Resources, Finance, Operations, and Marketing	Reward, Perceived Organizational and Supervisor Support (POS), Work Life Balance as Determinants of	Quantitative	This study shows that reward, organizational and supervisor support (POS), and work-life balance simultaneously have a significant effect on

	Information Systems	Employee Performance through Employee Engagement. (Nurchahyo, 2021)		employee performance through employee engagement. An adequate reward system such as bonuses, promotions, and training fosters a sense of belonging to the company, which positively impacts performance. Employee engagement increases when employees receive support from supervisors and can overcome work challenges. Conversely, performance may decline if employees are unable to maintain a balance between work and family time.
20	Management University of Africa	Relationship Between Total Reward Management Systems and Employee Engagement: A Case Study of Bamburi Cement Limited, Kenya. (Wamweru, 2017)	Quantitative	The study findings indicate that the total reward management system has a positive and significant effect on employee engagement at Bamburi Cement Limited. Specifically, aspects such as compensation, benefits, personal and professional development, and the work environment were found to enhance engagement levels. Regression analysis showed that increases in compensation ( $r = 0.458$ ), benefits ( $r = 0.352$ ), and development ( $r = 0.269$ ) contributed to higher engagement, while the work environment also had a positive effect ( $r = 0.145$ ). These findings underscore the importance of effective reward strategies in boosting employee engagement and performance.

Source: processed by the researcher, 2025

#### 4.1.2 Thematic Analysis: Grouping of Findings by Topic

##### 4.1.2.1 Rewards and Employee Engagement in the Digital Workplace

The relationship between reward systems and employee engagement in the context of digital work has become a key focus in various studies. According (Jaya et al., 2024), reward and recognition have a significant impact on employee engagement, especially when provided consistently and transparently. This research emphasizes that acknowledging employees' contributions is a crucial factor in building emotional attachment to the organization.

(Luturmas et al., 2021) add that rewards do not always exert a direct effect on work engagement, but perceived organizational support can serve as an important mediator. In digital work environments with minimal physical interaction, organizational support reinforces the value of the rewards given to employees. (Sadilla, 2023) shows that digital reward-based engagement programs, such as recognition emails and direct reward distribution, have a positive impact on employee engagement, although implementation still faces challenges. Meanwhile, (Saputra & Piartrini, 2019) confirm that rewards and internal communication positively influence employee engagement, which in turn enhances organizational citizenship behavior.

Research by (Sadilla & Wahyuningtyas, 2023) indicates that reward and recognition play a vital role in strengthening employees' emotional attachment and work motivation. Fair, timely, and expectation-aligned rewards have been proven to boost commitment and loyalty in modern work environments. Furthermore, (Dawam et al., 2023) found that competence, rewards, and organizational support collectively influence employee engagement, even though the effect of rewards is not always statistically significant. This aligns with (Marleyna et al., 2022), who revealed that job satisfaction mediates the relationship between reward systems and employee engagement, suggesting that rewards are more effective when paired with efforts to enhance job satisfaction.

(Baqir et al., 2020) and (Liberty, 2017) also highlight that managerial support and employee involvement in reward determination strengthen the positive effect of rewards on engagement. Additionally, (Putri et al., 2024) and (Chand et al., 2022) show that even when fair reward practices are implemented in the digital sector, employees' perceptions of the type and value of rewards are key differentiators of engagement levels. Findings from (Utomo & Safaria, 2025) confirm that reward systems integrated with performance measurement tools, such as the HR Scorecard, can boost both engagement and employee performance. Meanwhile, innovations like gamification and 360-degree feedback in web-based HRIS applications (Wulandari et al., 2025) have been proven effective in increasing employee engagement in digital work ecosystems.

Overall, these findings indicate that in the digital work era, rewards serve not only as financial compensation but also as an emotional and symbolic strategy that strengthens employees' connection to the organization. Adaptive, technology-based reward systems aligned with employees' personal values have the potential to create sustainable and meaningful engagement.

#### **4.1.2.2 Forms of Reward and Their Effectiveness**

Research on the types of rewards and their effectiveness in enhancing employee engagement, motivation, and performance shows that both extrinsic and intrinsic rewards have a significant impact, with success largely depending on the alignment between the type of reward and the individual employee's needs or characteristics.

According to (Sadilla & Wahyuningtyas, 2023), reward and recognition have a positive and significant effect on employee engagement. Providing financial rewards, such as performance-based bonuses or incentives, as well as non-financial rewards, such as public recognition or verbal appreciation, can strengthen employees' motivation and emotional attachment. (Chand et al., 2022) emphasize that a combination of rewards, recognition, and welfare benefits is directly proportional to increased engagement. The higher the quality of rewards and welfare provided, the higher the level of employee engagement and productivity.

(Liberty, 2017) demonstrates that both financial rewards (salary, bonuses, allowances) and non-financial rewards (opportunities for personal development, involvement in decision-making) managed in a structured manner can enhance commitment and work motivation. This approach is effective because, besides providing direct benefits, it also creates a sense of being valued and recognized. Furthermore, (Utomo & Safaria, 2025) highlight the importance of integrating rewards with performance measurement systems such as the HR Scorecard. Rewards based on measurable achievements not only increase engagement but also consistently drive performance improvements.

(Pandzic & Hadziahmetovic, 2022) offer the perspective that intrinsic rewards, such as work autonomy and trust from supervisors, significantly influence engagement, especially in industries that require creativity and innovation. Innovations in reward delivery are also evident in (Wulandari et al., 2025), who introduced gamification and 360-degree feedback within web-based HRIS applications. This approach not only delivers digital rewards but also creates interactive experiences that enhance employee engagement.

Overall, these findings indicate that the effectiveness of rewards depends not only on their material value but also on the form, timing, and relevance to individual needs. Extrinsic rewards, such as bonuses, allowances, and facilities, have direct impacts, while intrinsic rewards, such as recognition, autonomy, growth opportunities, and public appreciation, are key to sustaining long-term motivation and engagement. Therefore, organizations in the digital era need to design adaptive, personalized reward systems that integrate both financial and non-financial aspects to sustainably boost performance and loyalty.

#### **4.1.2.3 Digitalization and the Transformation of Reward Systems**

Digital transformation not only changes work patterns but also revolutionizes the way organizations design and distribute rewards to employees. In the study by (Utomo & Safaria, 2025), the implementation of an HR scorecard integrated with the reward system was proven to improve both employee engagement and performance. This approach enables the provision of rewards based on real-time performance data, enhances transparency, and accelerates the recognition process.

Findings from (Wulandari et al., 2025) reinforce this by developing a web-based HRIS system that integrates gamification and 360-degree feedback. This innovation makes performance appraisal and reward distribution more interactive, adaptive, and



appealing to employees, particularly those familiar with technology. In (Prasetyo, 2016) study on permanent employees of PT Bank Rakyat Indonesia, Depok Branch Office, it was found that rewards did not significantly affect employee engagement or organizational citizenship behavior (OCB). This research emphasizes that employee engagement levels are not always influenced by perceptions of rewards but rather by other factors beyond the reward system. This indicates that the effectiveness of rewards is highly dependent on organizational context and individual perceptions, suggesting that managers need to consider strategies beyond compensation in fostering engagement.

Research by (Chand et al., 2022) shows that digital platforms can serve as an effective medium for combining financial rewards, non-financial rewards, and welfare benefits into a single, easily accessible system. This allows employees to monitor achievements, claim rewards, and understand the criteria used. Additionally, (Liberty, 2017) emphasizes the importance of clear digital communication regarding reward criteria and procedures. Employee involvement in determining reward mechanisms through online forums or surveys can enhance their sense of ownership over the system.

Overall, digitalization fosters the creation of faster, more transparent, personalized, and interactive reward systems. The use of technologies such as HRIS, gamification, real-time performance dashboards, and internal social media makes rewards more integrated into the digital work ecosystem. Nevertheless, companies must maintain the humanistic aspect by ensuring that rewards are not merely seen as automated processes but also carry emotional value and personalization that align with employee characteristics.

#### **4.1.2.4 Mediating/Moderating Factors in the Reward Engagement Relationship**

Although rewards have been proven to influence employee engagement, many studies reveal that this effect is often not direct but rather occurs through mediating or moderating variables that can either strengthen or weaken the relationship. Research by (Dawam et al., 2023) shows that perceived organizational support (POS) acts as a mediator between rewards and engagement. Rewards are more effective when employees feel that the organization supports them, whether through facilities, attention, or clarity of information.

In the study by (Marleya et al., 2022), employee satisfaction emerged as a significant partial mediator. Satisfaction with the reward system enhances employees' emotional and cognitive engagement, making them more motivated to contribute optimally. Findings from (Baqir et al., 2020) add that supervisor support can function as a reinforcement of the reward–engagement relationship. Support from supervisors in the form of feedback, direct recognition, and assistance in problem-solving makes the rewards given feel more meaningful.

Meanwhile, (Nurchahyo, 2021) emphasizes that a combination of rewards, supervisor and organizational support, and work-life balance simultaneously affects engagement. A balance between personal life and work creates a psychological foundation that makes employees more responsive to rewards provided. Although (Siswanto et al., 2021) focused on the relationship between rewards and performance, their study shows that engagement and motivation can be important mediators. Rewards do not directly improve performance but work through work engagement as a psychological bridge that strengthens motivation.

In addition, (Liberty, 2017) found that employee involvement in the formulation of the reward system can moderate the effect of rewards on engagement. This participation provides a greater sense of ownership, making employees feel more connected to the organization's goals. From all these findings, it can be concluded that rewards are not the sole factor in building engagement. Variables such as perceived organizational support, job satisfaction, supervisor support, work-life balance, and employee participation are crucial factors functioning as mediators or moderators. Therefore, organizations need to design reward systems within a holistic human resource management strategy that considers the psychological and social aspects of employees, rather than viewing rewards merely as compensation instruments.

#### **4.1.3 General Synthesis and Implications**

A thematic review of 20 journals grouped into four core themes reveals that rewards hold a strategic function in fostering and sustaining employee engagement, particularly within the fast-evolving digital work environment. The transition from

conventional to technology-enabled reward systems has demonstrably enhanced engagement, especially when rewards are designed to be personalized, flexible, transparent, and aligned with the demands of modern work.

Extrinsic rewards such as compensation, bonuses, performance-based incentives, and career advancement serve as powerful short-term motivators, whereas intrinsic rewards such as recognition, developmental opportunities, job autonomy, flexible scheduling, and public appreciation nurture long-term emotional commitment. Reward effectiveness is amplified when individual preferences, organizational culture, and generational characteristics are considered, with Generation Z showing heightened responsiveness to technology- and social media-based recognition.

Evidence also suggests that the reward engagement relationship is frequently mediated or moderated by factors such as perceived organizational support, job satisfaction, supervisory support, work-life balance, and employee participation in reward system design. This underscores the necessity for rewards to be embedded within a broader, integrated HRM strategy.

Organizations are thus encouraged to adopt adaptive, technology-integrated reward systems leveraging HRIS, gamification, real-time performance dashboards, and internal social platforms while retaining a humanistic dimension to preserve the emotional and personal value of recognition. A balanced approach that merges the speed, transparency, and relevance of technology with authentic appreciation is likely to deliver sustainable engagement, improved performance, and stronger employee loyalty over time.

## 4.2 DISCUSSION

The findings of this literature review affirm that a well-structured, fair, and digitized reward system has a significant impact on enhancing employee engagement in the digital workplace. This result is consistent with (Jaya et al., 2024), who demonstrated that reward and recognition exert a positive and significant influence on engagement, particularly when delivered consistently, transparently, and in alignment with employee contributions.

However, several studies, such as (Luturmas et al., 2021) and (Dawam et al., 2023), reveal that the effect of rewards on engagement is not always direct. Its effectiveness is often mediated by factors such as perceived organizational support and job satisfaction, as also emphasized by (Marleya et al., 2022). This indicates that organizational context, work culture, and employees' perceptions of the support they receive play a crucial role in determining the extent to which rewards foster engagement.

Compared to prior studies that predominantly focused on conventional reward systems, this review adds new insights into digital transformation. Digitalization enables rewards to be delivered in a more personalized, flexible, and relevant manner for modern employees. Such innovations include the use of HR scorecards integrated with reward systems (Utomo & Safaria, 2025), gamification, and 360-degree feedback in web-based HRIS (Wulandari et al., 2025). These findings reinforce the perspectives of (Chand et al., 2022) and (Liberty, 2017), who highlight the importance of information transparency, digital accessibility, and employee participation in the reward process.

In addition, this study also observes the phenomenon of non-traditional rewards within digital platform ecosystems such as TikTok Affiliate, where rewards are not limited to financial compensation but also include exclusive experiences and symbolic gifts. Unlike previous research, which mostly focused on formal relationships between organizations and employees, these findings show that emotional attachment and loyalty can grow through meaningful reward experiences, even without formal employment contracts. The implication of this comparison is that organizations should not only adopt technology-based reward systems but also pay attention to personalization and symbolic aspects to create more sustainable engagement.

Thus, the comparison between the results of this study and previous research confirms that an effective reward system in the digital era must be holistic, integrating technological, personalized, and organizational support aspects. The practical implication is that organizations need to design adaptive reward strategies that align with digital changes, consider individual preferences, and build a recognition ecosystem capable of strengthening emotional attachment, both in formal and non-formal work relationships. These findings also open opportunities for future research to empirically test the effectiveness of non-

traditional rewards in building employee engagement across various digital platforms.

## 5. CONCLUSION

This study concludes that the transformation of reward systems plays a strategic role in enhancing employee engagement in the digital workplace, where both intrinsic rewards (recognition, self-development, and flexibility) and extrinsic rewards (compensation, bonuses, and promotions), when designed in a personalized, fair, transparent, and technology-integrated manner, are able to foster employee motivation, loyalty, and emotional attachment. Their effectiveness is further reinforced by mediating factors such as perceived organizational support, job satisfaction, supervisor support, and a positive digital culture. Digitalization enables rewards to be delivered more quickly, flexibly, and relevantly through HRIS, gamification, real-time dashboards, and internal social media; therefore, organizations need to combine technological innovation with a humanistic touch to create sustainable engagement, improve performance, and strengthen retention in the modern work ecosystem.

These findings suggest that human resource management must adopt a holistic, human-centered, and tech-enabled approach in designing reward strategies. In the evolving gig and digital economy, companies are encouraged to explore innovative reward practices that resonate with digital-native workers. As an additional observation, the researcher notes that in digital ecosystems such as TikTok Affiliate programs, non-traditional rewards like travel, cash, and luxury goods have been effective in increasing content creators' emotional engagement and loyalty toward the brand, indicating a new frontier for understanding employee engagement beyond formal employment. Future research is recommended to empirically validate these observations and further explore the role of symbolic and experiential rewards in building sustainable engagement in the digital workforce.

## 6. LIMITATION AND IMPLICATION

### 6.1 Limitation

In explaining the limitations of this study, it is important to acknowledge that the selection of literature, thematic focus, and conceptual variables plays a critical role in determining the relevance and scope of the results. This study adopts a literature review approach, relying exclusively on secondary data sources, which means it does not include field observations or primary data collection. This inherently limits the generalizability of the findings across the broader population of digital workers. Moreover, constraints such as limited access to certain journals, time availability, and resource limitations also affected the depth and breadth of the analysis. Not all contextual variables that influence the relationship between reward and employee engagement could be fully explored due to the limitations of the reviewed materials.

### 6.2 Implication

Nevertheless, this research contributes meaningfully to the conceptual development of human resource management studies, particularly in designing reward strategies in the digital era. The findings not only support existing theories such as employee engagement theory and reward theory but also enrich them by introducing new contexts, including the role of social media and digital work culture in shaping engagement. The implications of this study go beyond academic discourse and offer practical insights for companies and digital platforms seeking to design reward systems that are more relevant, personalized, and human-centered.

Additionally, this study identifies potential for further exploration of non-traditional reward systems such as those observed in TikTok Affiliate programs, which appear to influence emotional loyalty and long-term engagement, even in the absence of formal employment contracts. Future research is recommended to conduct empirical investigations into digital content-based reward ecosystems and to delve deeper into the symbolic and emotional dimensions of employee engagement. Therefore, this research not only draws important conclusions but also paves the way for more comprehensive and relevant academic inquiries in response to the changing dynamics of the modern workplace.

## ACKNOWLEDGEMENT

The author extends profound gratitude to all parties who have provided support in the preparation and completion of this research. In particular, the author expresses appreciation and respect to the academic advisor for the guidance, direction, and support given throughout the research process. Sincere thanks are also conveyed to the beloved family for their moral and financial support, which enabled the successful completion of this study. The author also values all forms of technical assistance and encouragement that helped facilitate the writing of this article. May this work contribute meaningfully to the advancement of knowledge and practices in the field of digital human resource management.

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**Conflict of Interest Statement:** The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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