

ABSTRACT

In this modern era, competition in the business world is undeniable. Advances and developments in business science have revealed that effective human resource management is one of the most efficient choices for building a successful business. The importance of the relationship between the company and employees is also evident.

Engaged employees tend to have a high level of loyalty to the company. Employee engagement is influenced by various factors, but rewards and recognition are important and quite complicated elements in every business. This study aims to see how rewards and recognition affect employee engagement.

The data analysis technique used in this research is descriptive analysis with a quantitative approach. The population studied is PT. X is part of Directorate H by specializing in employees who have worked for 1 year or more. Using a purposive sampling technique in taking samples so as to get a total sample of 176 people. Data collection was carried out by distributing questionnaires and then processed through Partial Least Square - Structural Equation Modeling (PLS-SEM) analysis using the SmartPLS-Ver 3.0 application.

Based on the research findings, rewards appear to have a positive and significant effect on employee engagement in Directorate H. So it can be seen that employees feel stimulated by the existing reward system. In addition, recognition also has a positive and significant effect on employee engagement. Recognition given by superiors and colleagues in the form of praise, appreciation and appreciation for employee performance directly increases the level of employee engagement at work.

Based on these findings, it was concluded that reward and recognition play an important role in increasing employee engagement at PT. X part of Directorate H. In this context, management needs to pay attention to reward policies that match employee contributions, while ensuring that recognition is given consistently and fairly. Thus, companies can create a work environment that is motivating, enjoyable, and encourages employees to participate actively and contribute maximally to organizational success.

Keywords: *Reward, Recognition, Employee Engagement, SmartPLS-Ver 3.0.*