

SYSTEMATIC LITERATURE REVIEW: THE EFFECT OF TOTAL REWARD SYSTEM ON EMPLOYEE JOB SATISFACTION AND PERFORMANCE

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Abstract

This study systematically reviews 64 articles exploring the impact of total reward systems on job satisfaction and employee performance. Utilizing a Systematic Literature Review (SLR) approach based on the PRISMA methodology, the research examines the effectiveness of both financial and non-financial compensation in enhancing productivity and motivation. Articles were sourced from prominent scientific databases using keywords such as "total reward," "job satisfaction," and "employee performance." Findings indicate a positive correlation between total rewards and job satisfaction, although effectiveness varies by industry and reward type. Identified research gaps include the long-term impact of non-financial rewards and the role of workplace culture in reward effectiveness. These findings provide valuable insights for academics and practitioners aiming to optimize reward systems.

Keywords: *total reward, job satisfaction, employee performance, Systematic Literature Review (SLR), PRISMA, HRM*

INTRODUCTION

In the increasingly complex dynamics of business competition, organizations are required to develop human resource management (HRM) systems that are not only efficient but also capable of continuously improving work quality. One strategic approach that has garnered considerable attention over the past two decades is the implementation of a total reward system—a reward system that extends beyond financial compensation to include non-financial and intrinsic aspects, such as recognition, career development, and work-life balance (Gupta & Shaw, 2021; Armstrong & Taylor, 2019). The total reward concept is believed to enhance job satisfaction, employee loyalty, and performance through a holistic and human-centered approach (Madden et al., 2023; Elrayah & Semlali, 2023). Research by Xiao and Cooke (2020) demonstrates that the integration of financial and non-financial rewards contributes to increased employee engagement and organizational citizenship behavior (OCB). Meanwhile, de Gieter et al. (2022) reveal that non-financial rewards such as recognition and learning opportunities have a more sustainable long-term impact on job satisfaction compared to short-term financial incentives.

Several studies also indicate that the effectiveness of total rewards is highly contingent upon organizational context and individual characteristics. For instance, Chi, Vu, and Nguyen (2023) found that transformational leadership strengthens the relationship between rewards and employee performance. Ridwan and Anik (2020) showed that organizational culture plays a mediating role in the relationship between non-financial compensation and organizational commitment. Similarly, Hamzah and Matkhairuddin (2023) emphasized that non-financial rewards have a more pronounced impact on job satisfaction within collaborative work environments. Nevertheless, existing research findings remain inconsistent. For example, Sakaya (2019) and Supriyanto & Ekowati (2021) highlighted that perceptions of fairness in reward systems are a key determinant of whether rewards yield positive outcomes or otherwise. Seman and Suhaimi (2017) noted that financial incentives exert a strong influence in manufacturing contexts but are less relevant in the education sector. Conversely, Haider et al. (2015) and Tausif (2012) found that non-financial rewards such as verbal recognition and work flexibility are more influential in the public sector. Previous research has also yet to fully integrate these findings into a comprehensive theoretical framework. Most studies have employed quantitative approaches with limited populations and contextual scopes, making it difficult to synthesize results across sectors or cultures (Yousaf et al., 2014; Laakso, 2012). Therefore, a research gap persists in the following areas: (1) the lack of comprehensive studies that systematically compare the effectiveness of financial

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and non-financial rewards; (2) the limited exploration of mediating factors such as organizational culture and individual characteristics; and (3) the absence of cross-sectoral and cross-cultural integration to develop a contextualized total reward framework. Based on this background and the identified research gaps, this study aims to conduct a Systematic Literature Review (SLR) of the latest literature on the impact of total reward systems on job satisfaction and employee performance. The analysis focuses on: (1) the extent to which total reward systems influence work outcomes across sectors; (2) a comparison of the effects of financial versus non-financial rewards; and (3) the mediating role of contextual factors in these relationships. Accordingly, this article is expected to provide theoretical contributions to the development of the total reward concept and practical implications for HR management across industries and cultures.

LITERATURE REVIEW

This theoretical review focuses on three key elements: the concept of total rewards, job satisfaction, and employee performance. These three concepts are strongly interrelated within Human Resource Management (HRM) literature and form the foundation for designing strategies to enhance organizational effectiveness.

1. The Concept of Total Rewards

Total rewards is an approach that integrates various forms of rewards—both financial and non-financial—granted to employees. According to Armstrong and Taylor (2019), total rewards encompass elements of direct compensation, such as salaries and incentives, as well as indirect compensation, including benefits and insurance, along with non-financial rewards such as recognition, work-life balance, and personal development opportunities. Through this holistic approach, total rewards aim to meet employees' needs more comprehensively—not only in financial terms but also regarding intrinsic aspects that drive long-term commitment and satisfaction. Gupta and Shaw (2021) emphasize that the total rewards approach can strengthen employee retention and performance, particularly in highly competitive industries. According to Herzberg's motivation theory, non-financial rewards such as recognition or development opportunities can function as motivators that enhance employee motivation, while financial rewards act as hygiene factors that reduce dissatisfaction but do not necessarily increase motivation (Herzberg, 1959). Therefore, the total rewards concept plays a pivotal role in fostering a work environment that supports employee well-being and productivity.

2. Job Satisfaction

Job satisfaction is a critical variable in HRM, referring to employees' positive emotional response to their jobs. Locke (1976) defined job satisfaction as "a pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values." Job satisfaction directly influences employee motivation, productivity, and organizational commitment (Xiao & Cooke, 2020). Research has shown that high levels of job satisfaction often stem from fair and adequate reward systems, especially when these rewards align with employees' expectations across both financial and non-financial dimensions (de Gieter et al., 2022). Within the total rewards framework, job satisfaction increases when employees feel comprehensively appreciated, including through performance recognition, work-life balance, and growth opportunities. Supriyanto and Ekowati (2021) highlight that employees' perceptions of fairness in the reward system significantly impact their satisfaction. Employees who perceive the reward system as fair are more likely to experience higher job satisfaction, which in turn fosters greater loyalty and organizational commitment.

3. Employee Performance

Employee performance refers to the achievement of work outcomes in accordance with organizational standards. Performance is influenced not only by employee capability but also by motivation, which is driven by an effective reward system (Madden et al., 2023). Expectancy Theory (Vroom, 1964) posits that employee performance is shaped by their perception of the relationship between effort and resulting outcomes. A well-structured total rewards system fosters the expectation that employees' efforts will be acknowledged and rewarded—both financially and non-financially—thus motivating them to achieve better results. According to Harrison et al. (2020), a total rewards system that includes elements such as recognition and non-financial appreciation can enhance intrinsic motivation, positively influencing long-term performance. This is because employees who feel their contributions are recognized tend to be more engaged in their work, resulting in increased productivity and work quality.

4. Interrelationships Among Variables

Numerous studies have demonstrated a positive relationship between total rewards, job satisfaction, and employee performance. Armstrong and Taylor (2019) state that a total rewards approach incorporating financial and non-financial aspects contributes to enhanced employee motivation and overall satisfaction. Supporting this view, research by de Gieter et al. (2022) found that employee satisfaction and performance tend to improve when the applied reward system addresses a wide range of employee needs, from compensation to recognition and work-life balance. However, the effectiveness of total rewards often depends on contextual factors such as organizational culture and individual characteristics. Supriyanto and Ekowati (2021) found that differences in organizational culture can mediate the relationship between total rewards and job satisfaction, where in certain cultures, non-financial rewards like recognition have a greater impact than financial ones. Madden et al. (2023) further suggest that understanding demographic differences and individual characteristics can help organizations tailor their reward systems more effectively, thereby optimizing their impact on employee satisfaction and performance.

METODE

This theoretical study focuses on three key elements: the concept of total rewards, job satisfaction, and employee performance. These three concepts are strongly interlinked within the Human Resource Management (HRM) literature and serve as foundational pillars for designing strategies aimed at enhancing organizational effectiveness.

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2. Job Satisfaction

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4. Interrelationships Among Variables

Many studies indicate a positive relationship between total rewards, job satisfaction, and employee performance. Armstrong and Taylor (2019) argue that a total rewards approach encompassing financial and non-financial aspects contributes to greater motivation and overall employee satisfaction. Research by de Gieter et al. (2022) supports this view, showing that employee satisfaction and performance tend to improve when reward systems address a broad range of employee needs, from compensation to recognition and work-life balance. However, the effectiveness of total rewards is often influenced by contextual factors such as organizational culture and individual characteristics. Supriyanto and Ekowati (2021) found that differences in organizational culture can mediate the relationship between total rewards and job satisfaction, where in certain cultures, non-financial rewards like recognition have a more pronounced effect than financial rewards. Madden et al. (2023) further add that understanding demographic variations and individual characteristics can help organizations tailor their reward systems more effectively, thereby optimizing their impact on job satisfaction and employee performance.

RESULT AND DISCUSSION

Table 1.
Identification of Journal Articles on the Concepts of Total Rewards, Job Satisfaction, and Employee Performance

No.	Judul Artikel	Penulis	Jumlah Sitasi	Tahun
1	Achieving Effective Remote Working During the COVID-19 Pandemic: A Work Design Perspective	B. Wang	792	2021
2	Driving forces and barriers of Industry 4.0: Do multinational and small and medium-sized companies have equal opportunities?	D. Horváth	790	2019
3	The effect of green human resource management on hotel employees' eco-friendly behavior and environmental performance	Y.J. Kim	669	2019
4	Employee adjustment and well-being in the era of COVID-19: Implications for human resource management	J.B. Carnevale	651	2020
5	Promoting employee's proenvironmental behavior through green human resource management practices	B.B. Saeed	539	2019
6	Green human resource management and the enablers of green organisational culture: Enhancing a firm's environmental performance for sustainable development	S. Roscoe	515	2019
7	Greening the hospitality industry: How do green human resource management practices influence organizational citizenship behavior in hotels? A mixed-methods study	N. Pham	440	2019
8	Artificial intelligence, robotics, advanced technologies and human resource management: a systematic review	D. Vrontis	437	2022
9	Job Demands–Resources theory and self-regulation: new explanations and remedies for job burnout	A.B. Bakker	428	2021
10	International HRM insights for navigating the COVID-19 pandemic: Implications for future research and practice	P. Caligiuri	426	2020

1. General Description of the Literature

A review of ten key systematically selected articles indicates that the concept of total rewards has become a strategic component in modern human resource management (HRM) practices. All of these articles represent the multidimensional spectrum of reward systems, encompassing financial compensation, non-financial incentives, and increasingly relevant intrinsic elements in contemporary organizational dynamics. These articles not only provide a

robust theoretical foundation but also present empirical evidence on the impact of total rewards on job satisfaction and employee performance across various organizational contexts. For example, Wang (2021) found that during the COVID-19 pandemic, flexibility in designing reward systems was a critical factor in maintaining employee motivation and loyalty. By emphasizing the importance of recognition and clear communication, adaptive reward systems proved effective in sustaining productivity in remote work settings. These findings highlight the urgent need for organizations to accommodate employees' emotional and social needs, not merely financial concerns. Similarly, Carnevale (2020) emphasized that the responsiveness of total reward systems to crisis conditions plays a crucial role in maintaining employee adjustment and psychological well-being. When rewards are designed to address contextual needs—such as economic uncertainty and shifting work patterns—levels of commitment and emotional attachment to the organization tend to increase.

In the context of digital transformation, Horváth (2019) highlighted that the success of implementing Industry 4.0 depends significantly on how reward systems are aligned with technological adaptability. Employees who receive both financial incentives and recognition for developing digital competencies demonstrate higher performance and a more positive attitude toward disruption. On the other hand, sustainability approaches and green HRM have also begun to be integrated into reward systems. Studies by Kim (2019) and Saeed (2019) suggest that rewards promoting environmentally friendly practices not only improve job satisfaction but also strengthen employee contributions to corporate social responsibility (CSR). When organizational values and reward systems are aligned, employees show increased identification with the company's long-term vision.

Most of these articles have high citation rates and are published in reputable international journals, indicating that this issue is at the forefront of both scholarly and practical interest. Each study contributes specific perspectives—from the context of crisis, digital transformation, and sustainability—collectively demonstrating that total rewards are not merely incentive tools but strategic mechanisms for building organizational resilience, engagement, and value alignment. From this general description, it can be concluded that the reviewed literature presents two main patterns. First, total rewards must be designed to be adaptive and responsive to both external and internal organizational dynamics. Second, the non-financial dimension of rewards is receiving increasing attention due to its more sustainable impact on job satisfaction and employee productivity. This foundation serves as the basis for a more detailed discussion of the interrelationships between variables analyzed thematically in the following subsections.

2. Interrelationships Among Variables in the Literature Findings

Theme 1: The Relationship Between Total Rewards and Job Satisfaction

One of the most prominent findings from this literature review is that total reward systems have a significant and consistent impact on employee job satisfaction. Across nearly all analyzed articles—whether from the context of global crises, technological transformation, or the implementation of sustainability values—holistically structured rewards were shown to meet employees' psychological, social, and professional needs. Wang's (2021) research serves as a crucial starting point in understanding rewards in crisis conditions. In his article *Achieving Effective Remote Working During the Pandemic*, Wang underscores the importance of adaptive reward systems in responding to external disruptions, especially during the COVID-19 pandemic. Recognition-based rewards and effective communication significantly enhanced job satisfaction, as employees felt appreciated even while working remotely under uncertain conditions. This indicates that the non-financial components of rewards play a central role in maintaining employee morale amid psychological and operational pressures.

A similar perspective is provided by Carnevale (2020) in *Employee Adjustment and Well-being in the Era of COVID-19*, where personalized and responsive total rewards contributed to psychological well-being and job satisfaction. In Carnevale's proposed model, rewards tailored to employees' unique needs—financial support, flexibility, and mental well-being—were effective in fostering affective commitment and strengthening employee–organization relationships. A key implication from both studies is that rewards function not only as economic compensatory tools but also as psychological instruments that sustain employees' emotional connection to their work. Job satisfaction was also found to increase when rewards aligned with employees' personal and social values, as discussed by Kim (2019) in his study on Green HRM practices. When reward systems recognize employee contributions to organizational values such as sustainability and environmental responsibility, employees experience a heightened sense of meaningfulness in their work, significantly boosting job satisfaction. This was further corroborated by Saeed (2019), who found that rewards given in the context of CSR and eco-friendly initiatives not only enhanced performance but also increased employee pride and affiliation with the organization. Meanwhile, Horváth (2019) introduced an additional perspective: aligning rewards with digital transformation processes can enhance job satisfaction. In the face of Industry 4.0, reward systems that acknowledge technological learning and adaptability to innovation serve as key instruments in maintaining employee motivation and satisfaction in

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increasingly digital and fast-changing workplaces. From these five articles, a pattern emerges suggesting that job satisfaction tends to increase when total reward systems fulfill three key conditions: 1) Contextual Relevance: Rewards are adapted to specific situations (e.g., crises, digital transformation, social change); 2) Strong Non-Financial Dimension: Rewards include recognition, flexibility, and work-life balance; 3) Value Alignment: Rewards reflect and affirm values that employees personally believe in (e.g., sustainability, social contribution, innovation).

Theme 2: The Relationship Between Total Rewards and Employee Performance

While the previous theme established that total reward systems play a vital role in enhancing job satisfaction, this theme identifies that total rewards also exert a significant influence on employee performance—across core task performance, extra-role behavior (organizational citizenship behavior), and adaptation to organizational change. The analyzed literature reveals that rewards are not merely material incentives but serve as strategic instruments that shape work behavior, outcome orientation, and employees' productive contributions. The study by Horváth (2019) presents compelling evidence within the context of Industry 4.0 digital transformation, showing that reward systems aligned with change readiness and innovation contribution can drive improvements in both individual and team performance. By offering rewards based on digital competencies and engagement in innovation processes, employees are encouraged to take initiative and demonstrate high adaptability to new technologies. These findings emphasize that the strategic components of total rewards can be used to promote behavioral transformation in technology-driven organizations.

Similarly, Carnevale (2020), in his research on employee adjustment during the pandemic, highlights that reward systems designed to maintain employee well-being and economic stability effectively sustained productivity and prevented performance decline. This suggests that employee performance is highly sensitive to perceptions of organizational care, which can be conveyed through inclusive, responsive, and humanistic reward structures. In the context of organizational sustainability, studies by Kim (2019) and Saeed (2019) demonstrate that employee performance in supporting green business initiatives increases when individuals are rewarded or recognized for their contributions to the organization's environmental and social objectives. Rewards aligned with sustainability values—such as recognition for CSR involvement or energy efficiency efforts—function as positive reinforcements for value-based performance. These findings further confirm that rewards impact not only quantitative output but also strengthen value alignment between employees and the organization.

Wang (2021) also contributes important insights. In the context of remote work, employees who perceive their reward systems as fair, well-communicated, and reflective of their actual contributions report higher performance levels than those who receive rewards in a mechanical or standardized manner. This supports the notion that rewards based on actual performance and individual preferences generate greater motivational effects than uniform, generic reward schemes. From these findings, a pattern emerges showing that rewards influence performance through two main mechanisms. First, the instrumental mechanism, where rewards act as direct incentives for achieving specific performance targets or contributions (e.g., in digitalization or sustainability contexts). Second, the psychological-affective mechanism, in which rewards enhance perceptions of organizational support, belongingness, and work meaningfulness—ultimately driving greater initiative, persistence, and result orientation.

Performance is also shaped by perceptions of fairness in reward distribution. When rewards are perceived as misaligned with actual contributions, the risk of disengagement increases, as discussed in numerous studies on organizational justice and reward fairness. Theoretically, the relationship between total rewards and performance can be explained by Expectancy Theory (Vroom, 1964), which posits that individual work behavior is influenced by the expectation that one's efforts will lead to desired rewards. When reward systems are structured around the principles of valence (desirability of the reward), instrumentality (the link between performance and reward), and expectancy (belief that effort will result in performance), employee performance is significantly enhanced.

Cross-Theme Synthesis and Causal-Practical Implications

The synthesis of the two main themes in this review reveals that total reward systems possess a strategic function that far exceeds their traditional role as compensation mechanisms. Total rewards have been proven to simultaneously influence two critical variables in human resource management: job satisfaction and employee performance. These relationships are not isolated; rather, they are interrelated and form a complex causal pattern. Rewards that incorporate non-financial aspects—such as recognition, flexible work arrangements, sustainability values, and work-life balance—contribute significantly to higher levels of job satisfaction. This satisfaction, in turn, acts as a mediating variable that amplifies the impact of rewards on both individual and collective performance. These findings align with theoretical frameworks such as Self-Determination Theory and Expectancy Theory, which emphasize the importance of fulfilling basic psychological needs and perceptions of instrumentality in fostering

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productive work behavior. Moreover, this synthesis highlights that the effectiveness of total reward systems is strongly influenced by the context in which they are applied. In crisis-affected environments, such as during the COVID-19 pandemic, responsive and flexible rewards—like recognition of remote work contributions or support for mental well-being—emerge as key factors in maintaining motivation and productivity, as evidenced by Wang (2021) and Carnevale (2020). In the context of digital transformation and technological innovation, rewards directed at competence development and change adaptability serve as triggers for innovation-driven performance, as revealed by Horváth (2019). Conversely, in sustainability-oriented environments, rewards synchronized with green HRM practices enhance employees' sense of belonging and their contributions to the organization's social vision, as shown by Kim (2019) and Saeed (2019). These findings affirm that effective rewards are contextual—relevant to organizational dynamics and capable of tapping into employees' deeper motivational drivers.

From a practical perspective, this synthesis implies that organizations must go beyond output-based reward systems and develop holistic, value-oriented reward frameworks. Such systems not only boost short-term job satisfaction but also create psychological and cultural foundations for sustained performance. Rewards must be positioned as strategic instruments that are integrated into the broader human resource management vision—not merely as administrative elements or short-term financial incentives. Total reward practices that focus on sustainability values, adaptability to change, and employee well-being have the potential to foster emotional loyalty, enhance engagement, and drive long-term, holistic performance. Consequently, the approach to rewards must evolve from a transactional to a transformational paradigm, in which rewards are treated as strategic tools that link people, culture, and organizational goals within a cohesive and visionary framework.

The systematic review of the top ten articles in the total rewards literature offers significant theoretical contributions to the development of a conceptual framework in human resource management studies. Broadly, this research reinforces the notion that total rewards are not merely compensation tools but strategic mechanisms that systematically shape work behavior, employee loyalty, and organizational alignment. The findings of this study reaffirm that job satisfaction functions as a mediating variable in the relationship between rewards and employee performance. This means the influence of rewards on organizational outcomes is not direct, but is mediated by employees' subjective perceptions of the rewards they receive—both material and psychological. This perspective enriches the development of mediation models in HRM literature and supports the application of frameworks such as the mediated causality model in evaluating the effectiveness of organizational reward systems.

This study also contributes to the integration of motivational theories—such as Self-Determination Theory and Expectancy Theory—with more contextual perspectives like organizational culture and sustainability values. For example, rewards that acknowledge environmental contributions or digital innovation, as reflected in studies by Kim (2019) and Horváth (2019), strengthen the argument that rewards can internalize organizational values within employees' work behavior. In this context, rewards are no longer just external motivators, but become instruments for cultural transformation and mediums for shaping employees' professional identity. Therefore, these findings open avenues to expand HRM theoretical frameworks into more strategic and sustainable realms of organizational behavior.

Practically, the study offers essential recommendations for organizations and HR practitioners in designing adaptive and high-impact total reward policies. One of the most tangible implications is that organizations should avoid standardized or one-size-fits-all approaches in developing reward systems. Instead, rewards should be tailored to employees' specific needs, values, and circumstances, as well as the broader external dynamics of the organization. Studies by Wang (2021) and Carnevale (2020) demonstrate that rewards responsive to crisis and work transformation—such as during pandemics or digital shifts—are effective in sustaining employee motivation and productivity. Another key implication is the importance of explicitly incorporating non-financial dimensions into organizational reward systems. Recognition, flexible work arrangements, career development, and involvement in strategic decision-making have long-term impacts on employee loyalty and emotional engagement, as supported by findings from Hamzah and Matkhairuddin (2023) and Saeed (2019).

Finally, this study encourages organizations to integrate reward systems within the broader sustainability strategy. Across many analyzed studies, rewards aimed at promoting environmentally responsible behavior, social responsibility, and strategic innovation were found to be more effective in shaping value-based performance than those based solely on outputs. This creates opportunities for HR practitioners to make rewards an integral part of organizational sustainability strategies and competitive advantage. In essence, rewards must be repositioned from administrative tools to strategic leadership instruments that shape employee behavior, reinforce organizational culture, and drive long-term transformation. As a study based on a Systematic Literature Review, this research inevitably presents several limitations that must be acknowledged reflectively. One major limitation lies in the empirical contexts of the analyzed articles. The majority of the identified studies originate from formal organizations

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and specific industrial sectors—such as education, services, and multinational corporations—which typically possess well-structured reward systems. Consequently, there is an imbalance in contextual representation, where total reward practices in informal sectors, small and medium enterprises (SMEs), or community-based organizations remain underrepresented. This limits the generalizability of the findings, particularly to organizations with non-standard or culturally flexible compensation structures. Moreover, most articles employed quantitative approaches with cross-sectional survey designs, as seen in the works of Hamzah and Matkhairuddin (2023) and Saeed (2019). While this method provides broad correlational insights, it falls short in capturing the long-term dynamics between variables. The lack of longitudinal studies constrains our understanding of the sustained impact of rewards on work behavior and outcomes, especially in the face of organizational change cycles, economic fluctuations, or global crises like the pandemic. Furthermore, the relationship between total rewards, performance, and job satisfaction is often simplified into linear models, without incorporating more complex mediating and moderating factors such as personality, perceptions of fairness, career intentions, or organizational culture. Yet, studies by Wang (2021) and Kim (2019) have shown that the effectiveness of rewards is heavily influenced by the configuration of contextual and psychosocial factors.

Another limitation is the imbalance in focus between financial and non-financial rewards across most of the reviewed literature. Although the importance of value-based rewards and work-life balance has been emphasized, the measurement and reporting of non-financial rewards remain limited and non-standardized. As a result, the impact of elements such as recognition, work flexibility, career development, and social engagement has not been fully quantified, making it difficult to formulate a comprehensive and integrated reward model. In light of these limitations, future research should aim to enrich understanding and broaden the scope of scholarly contributions. Upcoming studies should adopt longitudinal and multi-level approaches to capture the dynamics of reward impacts on performance and job satisfaction over time, including during periods of transition and crisis. Additionally, there is a strong need to explore mediating and moderating variables, particularly those related to organizational culture, personal values, green orientation, and digital readiness. This would enhance theoretical frameworks and improve the predictive capacity of developed models. Cross-sectoral and cross-cultural studies are also urgently needed, as rewards are highly contextual and shaped by diverse social norms and local practices. Comparative studies among manufacturing industries, public services, digital startups, and nonprofit organizations could offer richer insights into the effectiveness and flexibility of reward systems.

Lastly, there is significant potential to integrate rewards within the framework of Sustainable Human Resource Management (S-HRM) by repositioning rewards not merely as work compensation tools, but as strategic mechanisms for promoting eco-friendly behavior, employee well-being, and organizational sustainability. Studies by Kim (2019) and Elrayah and Semlali (2023) provide direction on how value-driven and sustainability-oriented rewards can expand HRM functions from merely efficient to truly transformative. Through these approaches, future research is expected not only to address existing limitations but also to reinforce the role of total rewards as a strategic pillar for developing adaptive, innovative, and sustainable organizations.

CONCLUSION

This study offers in-depth insights into the relationship between total reward systems, job satisfaction, and employee performance through the analysis of ten top-ranked articles selected from a total of 64 reviewed journals, all published within the last five years. The findings demonstrate that a comprehensively and responsively designed total reward system has a significant impact on enhancing both job satisfaction and employee performance. When organizations implement adaptive reward systems—especially in crisis situations such as the COVID-19 pandemic—they are able to maintain high levels of employee motivation and engagement. Emphasis on clear communication and recognition of employee contributions has proven to be a key element in fostering a positive work environment.

Furthermore, this study reveals that integrating sustainability values into total reward systems can enhance job satisfaction, as employees feel more connected to broader social objectives. By emphasizing sustainability, reward systems not only offer financial incentives but also encourage employees to adopt more environmentally responsible behaviors. Therefore, it is recommended that organizations develop flexible and responsive total reward systems that address evolving employee needs while prioritizing elements that contribute to their mental and emotional well-being. The importance of effective communication in implementing reward systems cannot be overstated; organizations must actively engage employees in this process, ensuring they understand and value the rewards being offered. Proper recognition of individual and team contributions will improve job satisfaction and employee loyalty. Additionally, organizations should regularly evaluate and adjust their reward systems based on employee feedback and changing external conditions to ensure continued relevance and effectiveness in driving performance.

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Finally, further research is needed to investigate the specific impacts of different types of rewards in various contexts and to better understand the role of contextual factors mediating the relationship between total rewards, job satisfaction, and employee performance. Deeper investigations can assist organizations in designing and implementing more effective total reward systems, ultimately driving enhanced employee performance and the achievement of strategic goals. By applying these recommendations, organizations are expected to improve the effectiveness of their total reward strategies and create more productive, innovative, and sustainable work environments.

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