PERFORMANCE-BASED COMPENSATION, GREEN REWARD, AND GREEN PRODUCTIVITY: THE MEDIATING ROLE OF PERSON–ORGANIZATION FIT IN AN ORGANIC COCONUT PROCESSING COMPANY

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Abstract

This study aims to examine the effects of Performance-based Compensation and Green Reward on Green Productivity and to analyze the mediating role of Person–Organization Fit in an organic coconut processing company. A quantitative approach was employed using data from 240 employees of PT Natural Indococonut Organik. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) to examine the direct and indirect relationships among the variables. The results show that Performance-based Compensation and Green Reward do not have significant direct effects on Green Productivity. However, both variables have significant positive effects on Person–Organization Fit, which in turn has a positive and significant effect on Green Productivity. The mediation analysis further indicates that Person–Organization Fit significantly mediates the relationships between Performance-based Compensation and Green Reward and Green Productivity. These findings indicate that performance-based compensation and environmental rewards do not automatically improve green productivity; their contribution becomes more meaningful when employees perceive compatibility between their values, goals, needs, and abilities and those of the organization. The study highlights the importance of aligning reward systems with organizational values and sustainability objectives to support green productivity.

Keywords: Performance-based Compensation, Green Reward, Person–Organization Fit, Green Productivity, Green Human Resource Management

INTRODUCTION

The growing consumer preference for natural and environmentally friendly products has contributed to the development of organic food processing industries. This condition places increasing demands on agricultural-processing companies to maintain product quality and competitiveness while improving resource efficiency and environmental sustainability. Coconut is one of the commodities with considerable potential in the natural food industry. Indonesia is among the world's major coconut producers, with production reaching approximately 17.19 million tons in 2022 (Food and Agriculture Organization [FAO], 2023).

One company operating in this industry is PT Natural Indococonut Organik, which develops various products derived from organic coconut. The company has expanded its production capacity and international market activities, creating greater demands for maintaining employee productivity while addressing environmental sustainability. As coconut processing directly involves the utilization of natural resources, organizational productivity needs to be considered alongside efficient resource utilization and the environmental consequences of production activities.

The productivity condition of PT Natural Indococonut Organik indicates that production performance has not been completely stable. The average production of operators increased from 437 units per day in July 2024 to 822 units per day in September 2024, but subsequently declined to 815 units in October, 728 units in November, and 689 units per day in December. This fluctuation indicates that productivity varies across periods and provides a basis for examining human resource management practices that may contribute to the achievement of *green productivity*.

In the context of sustainability, productivity is no longer assessed solely through the amount of output produced. Green Productivity integrates productivity improvement with resource efficiency and environmental considerations. It emphasizes the ability of organizations to increase output while reducing resource consumption, waste, and environmental impacts. This perspective is increasingly relevant to organizations whose production processes depend directly on natural resources (Aisyah et al., 2024; Ayuni et al., 2026).

One human resource practice that may contribute to productivity is *Performance-based Compensation*. This system links employee compensation to the achievement of measurable performance or work targets. Wood et al. (2023) describe *performance-related pay* as a payment mechanism that connects rewards with individual or collective performance. Clemens and Sauermann (2025) further explain that *individual performance pay* can be implemented through *performance thresholds*, whereby the level of performance achieved against predetermined standards becomes the basis for determining bonuses.

Another relevant mechanism is *Green Reward*. Unlike *Performance-based Compensation*, which primarily emphasizes work performance and target achievement, *Green Reward* is specifically associated with employees' environmental contributions and pro-environmental behavior. Javed et al. (2024) describe *green reward* as financial and non-financial recognition designed to encourage employee participation in organizational environmental activities. Similarly, Odhiambo et al. (2023) position *green reward* as an incentive mechanism for encouraging *pro-environmental behavior*, while Yin et al. (2024)

indicate that green compensation can be designed to strengthen environmentally responsible employee behavior.

The distinction between these two reward mechanisms is important because they are not conceptually identical. *Performance-based Compensation* is primarily oriented toward performance achievement and work targets, whereas *Green Reward* is oriented toward employees' contributions to organizational environmental objectives. An employee may achieve a high work-performance target without necessarily demonstrating a high level of environmental contribution, and the reverse may also occur. Thus, although both mechanisms belong to the broader reward system, they are based on different reward criteria (Wood et al., 2023; Clemens & Sauermann, 2025; Odhiambo et al., 2023; Yin et al., 2024).

The relationship between reward systems and *Green Productivity* may also depend on the degree of compatibility between employees and their organization, referred to as *Person–Organization Fit*. This concept describes the extent to which employees' values, goals, and characteristics are compatible with those of the organization. Nurhayati et al. (2024) indicate that *Person–Organization Fit* is associated with employee engagement and organizational productivity, while Prahara and Ariawan (2023) report a positive relationship between *Person–Organization Fit* and employee performance. Cesário et al. (2022) further demonstrate a relationship between *Green Human Resource Management* practices and *Person–Organization Fit*.

Previous studies have examined *Green Human Resource Management*, *Green Reward*, performance-based compensation, and *Person–Organization Fit*, but these variables have generally been investigated in different relationships and organizational contexts. Javed et al. (2024), for example, examined *Green Reward* in relation to environmental performance, whereas Cesário et al. (2022) investigated the relationship between GHRM practices and *Person–Organization Fit*. Research on *performance-related pay* has largely focused on the relationship between compensation and employee performance. This situation leaves an opportunity to integrate these reward mechanisms into a single model explaining *Green Productivity*, particularly by considering *Person–Organization Fit* as a mediating mechanism.

Based on this research gap, the present study examines the effects of *Performance-based Compensation* and *Green Reward* on *Green Productivity*, with *Person–Organization Fit* as a mediating variable at PT Natural Indococonut Organik. The study distinguishes the conceptual foundations of the two reward mechanisms while examining whether their relationship with *Green Productivity* occurs directly or through employees' compatibility with organizational values and objectives. This approach is expected to contribute to the GHRM literature by explaining how reward mechanisms and employee–organization compatibility are associated with environmentally oriented productivity in the organic coconut processing industry.

REVIEW OF LITERATURE

The development of research on Green Human Resource Management (GHRM) has increasingly examined how human resource practices can support employee behavior, organizational performance, and environmental sustainability. Within this literature, compensation and reward systems are important because they provide mechanisms through

which organizations can direct employee motivation toward desired outcomes. Two reward mechanisms relevant to this study are Performance-based Compensation and Green Reward. Although both involve organizational rewards, they differ in their primary orientation and the behavior they seek to encourage.

Performance-based Compensation refers to a compensation system in which rewards are linked to the achievement of predetermined performance targets. Wood et al. (2023) explain that performance-related pay establishes a connection between employee performance and the rewards received, while Clemens and Sauermann (2025) discuss performance thresholds as a basis for determining individual performance pay. Siramiati et al. (2016) found that performance-based compensation can encourage employee motivation, while Rahadian et al. (2020) reported a positive relationship between compensation and employee performance. These findings indicate that compensation can function as a mechanism for encouraging employees to improve their work outcomes.

In contrast, Green Reward refers to financial and non-financial rewards provided for environmentally responsible behavior or contributions to organizational sustainability. Javed et al. (2024) examined Green Reward in relation to environmental performance and emphasized its role in encouraging environmentally oriented employee behavior. Basile et al. (2022) associated green rewards with employee green behavior and involvement in environmental activities, while Kuo et al. (2022) examined green compensation as a mechanism for encouraging employee green behavior. The distinction between the two concepts lies in their reward criteria: Performance-based Compensation emphasizes work targets and performance achievement, whereas Green Reward emphasizes environmental behavior and contribution to sustainability.

Another important construct is Person–Organization Fit (P-O Fit), which describes the compatibility between individuals and organizations in terms of values, goals, needs, and abilities. Cesário et al. (2022) examined the relationship between GHRM practices and P-O Fit, demonstrating the relevance of environmentally oriented human resource practices to employees' perceptions of organizational compatibility. Prahara and Ariawan (2023) found a positive relationship between P-O Fit and employee performance, while Nurhayati et al. (2024) examined P-O Fit in relation to job satisfaction. These findings indicate that employees' perceptions of compatibility with their organization can be relevant to both attitudinal and performance-related outcomes.

The relevance of P-O Fit becomes particularly important when organizations implement reward systems that communicate organizational priorities. Performance-based Compensation communicates the importance of achieving organizational performance targets, whereas Green Reward communicates the importance of environmental responsibility. Employees who perceive consistency between their own values and goals and those promoted by the organization may be more likely to internalize organizational expectations and contribute to organizational objectives. P-O Fit therefore provides a potential mechanism through which organizational reward practices may be translated into employee and organizational outcomes.

The outcome examined in this study is Green Productivity, which integrates productivity improvement with environmental efficiency. Rahko and Alola (2023) discuss Green Productivity in relation to environmental efficiency, while Wang et al. (2021) position Green Productivity in relation to environmental performance. This concept is relevant to

organizations whose production activities depend on natural resources because productivity cannot be separated from resource utilization, waste reduction, and environmental considerations.

Previous research has generally examined these constructs through separate relationships. Studies of Performance-based Compensation have focused mainly on employee motivation and performance, whereas studies of Green Reward have emphasized green behavior and environmental performance. Research on P-O Fit has examined employee performance and job satisfaction, while studies of Green Productivity have focused on productivity and environmental efficiency. The integration of Performance-based Compensation, Green Reward, P-O Fit, and Green Productivity within a single model remains relatively limited, particularly in the context of the organic coconut processing industry in Indonesia.

Based on these findings, this study proposes a model in which Performance-based Compensation and Green Reward are examined as organizational reward mechanisms associated with Green Productivity, with Person–Organization Fit positioned as a mediating variable. The model distinguishes the performance-oriented nature of Performance-based Compensation from the environment-oriented nature of Green Reward, while examining whether employee–organization compatibility provides a mechanism linking these practices to green productivity. This framework is particularly relevant to PT Natural Indococonut Organik, where production efficiency and environmental sustainability are closely connected.

RESEARCH METHOD

This study employed a quantitative research approach to examine the relationships among Performance-based Compensation, Green Reward, Person–Organization Fit, and Green Productivity. The research was conducted at PT Natural Indococonut Organik, an organic coconut processing company in Indonesia. The unit of analysis was the employee, as employees are directly involved in the implementation of performance targets, reward systems, environmental practices, and operational activities related to productivity.

The study involved 240 respondents who were employees of PT Natural Indococonut Organik. Data were collected using a structured questionnaire employing a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire measured four constructs: Performance-based Compensation (PBC), Green Reward (GR), Person–Organization Fit (POF), and Green Productivity (GP).

The collected data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The analysis involved the evaluation of the measurement model (outer model) and the structural model (inner model). The outer model was assessed to determine the validity and reliability of the measurement instruments through outer loading, Cronbach's alpha, rho_A, composite reliability, and Average Variance Extracted (AVE). Discriminant validity was also evaluated using the Heterotrait–Monotrait (HTMT) criterion. The inner model was then evaluated to examine the hypothesized relationships among the constructs based on path coefficients, t-statistics, and p-values obtained through the bootstrapping procedure. Direct effects were examined for the relationships between PBC and GP, GR and GP, PBC and POF, GR and POF, and POF and GP. Indirect effects were

subsequently examined to determine whether POF mediates the relationships between PBC and GP and between GR and GP. A relationship was considered statistically significant when the p-value was below 0.05 (Hair, et al., 2017).

Research Hypothesis

This study aims to examine the effects of Performance-based Compensation and Green Reward on Green Productivity, as well as the mediating role of Person–Organization Fit in the relationship between these reward practices and Green Productivity. Based on the literature review and previous empirical findings, the hypotheses proposed in this study are as follows:

- H1: Performance-based Compensation has a positive and significant effect on Green Productivity.
- H2: Green Reward has a positive and significant effect on Green Productivity.
- H3: Performance-based Compensation has a positive and significant effect on Person–Organization Fit.
- H4: Green Reward has a positive and significant effect on Person–Organization Fit.
- H5: Person–Organization Fit has a positive and significant effect on Green Productivity.
- H6: Person–Organization Fit significantly mediates the relationship between Performance-based Compensation and Green Productivity.
- H7: Person–Organization Fit significantly mediates the relationship between Green Reward and Green Productivity.

Research Model

This research model illustrates the relationships among Performance-based Compensation, Green Reward, Person–Organization Fit, and Green Productivity. Performance-based Compensation and Green Reward are positioned as independent variables, Person–Organization Fit as a mediating variable, and Green Productivity as the dependent variable. The proposed model examines both the direct relationships between the independent variables and Green Productivity and the indirect relationships through Person–Organization Fit:

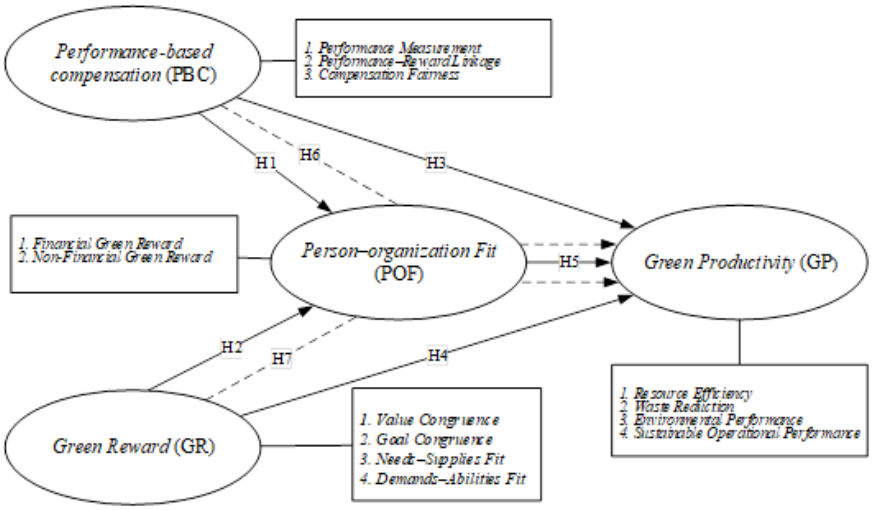


Figure 1
Research Model

The research model shows that Performance-based Compensation and Green Reward are expected to influence Green Productivity, both directly and through Person–Organization Fit. Performance-based Compensation represents a performance-oriented reward mechanism based on employee achievement and work targets, whereas Green Reward represents an environment-oriented reward mechanism based on employees' environmental contributions. Person–Organization Fit is positioned as a mediating mechanism that explains how employees' perceptions of compatibility with organizational values, goals, needs, and abilities may connect these reward practices with Green Productivity.

This study uses a quantitative approach with a survey method. Data are collected through questionnaires using a five-point Likert scale and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The analysis is conducted to examine the direct effects of Performance-based Compensation and Green Reward on Green Productivity, the effects of both reward mechanisms on Person–Organization Fit, and the effect of Person–Organization Fit on Green Productivity. The mediation analysis is used to determine whether Person–Organization Fit explains the relationship between each reward mechanism and Green Productivity.

RESULTS AND DISCUSSION

The results of this study are presented based on the analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM), covering the evaluation of the measurement model (outer model) to assess the validity and reliability of the research instruments and the structural model (inner model) to examine the relationships among Performance-based Compensation, Green Reward, Person–Organization Fit, and Green Productivity. The analysis also examines the direct and indirect effects to determine the role of Person–Organization Fit as a mediating variable in the relationship between the reward mechanisms and *Green Productivity*.

The outer loading test was conducted to assess the convergent validity of the indicators used to measure Green Productivity, Green Reward, Performance-based Compensation, and Person–Organization Fit. The results show that all indicators have outer loading values above 0.60, indicating that each indicator meets the minimum criterion applied in this study and can be retained for further analysis. For Green Productivity, the loading values range from 0.669 to 0.936, with GP1 having the highest value (0.936) and GP12 the lowest (0.669). Green Reward has loading values ranging from 0.757 to 0.919, while Performance-based Compensation ranges from 0.660 to 0.949. Meanwhile, the loading values for Person–Organization Fit range from 0.601 to 0.844. Although several indicators have relatively lower loading values, particularly POF7, POF8, and POF9, their values remain above 0.60 and are therefore retained. The results indicate that the indicators adequately represent their respective constructs and are suitable for subsequent measurement model evaluation.

Table 1.
Validity and Reliability Convergence Results

Construct	Cronbach's Alpha	rho_A	Composite Reliability	AVE	Conclusion
Green Productivity	0.943	0.951	0.950	0.617	Reliable and valid
Green Reward	0.920	0.940	0.935	0.676	Reliable and valid
Performance-based Compensation	0.951	0.962	0.957	0.653	Reliable and valid
Person–Organization Fit	0.918	0.921	0.930	0.530	Reliable and valid

Source: Data processed (2026)

Table 2.
Heterotrait–Monotrait Ratio (HTMT) Result

Construct	Green Productivity	Green Reward	Performance-based Compensation	Person–Organization Fit
Green Productivity	—			
Green Reward	0,181	—		
Performance-based Compensation	0,384	0,145	—	
Person–Organization Fit	0,556	0,235	0,660	—

Source: Data processed (2026)

Table 3.
Direct Effect Testing Results

Relationship Between Variables	O	M	STDEV	T-Statistics	P-Values	Conclusion
Performance-based Compensation → Green Productivity	0.090	0.091	0.067	1.350	0.178	H1 not supported
Green Reward → Green Productivity	0.059	0.063	0.072	0.820	0.412	H2 not supported
Performance-based Compensation → Person–Organization Fit	0.615	0.616	0.055	11.265	0.000	H3 supported
Green Reward → Person–Organization Fit	0.146	0.156	0.054	2.716	0.007	H4 supported

Relationship Between Variables	O	M	STDEV	T-Statistics	P-Values	Conclusion
Person–Organization Fit → Green Productivity	0.457	0.442	0.084	5.439	0.000	H5 supported

Source: Data processed (2026)

Table 4.
Indirect Effect Testing Results

Indirect Relationship	O	M	STDEV	T-Statistics	P-Values	Conclusion
Performance-based Compensation → Person–Organization Fit → Green Productivity	0.281	0.273	0.060	4.690	0.000	H6 supported
Green Reward → Person–Organization Fit → Green Productivity	0.067	0.068	0.026	2.597	0.010	H7 supported

Source: Data processed (2026)

Direct Effect

The direct effect results show that *Performance-based Compensation* has a positive but insignificant effect on *Green Productivity* (β = 0.090; p = 0.178), while *Green Reward* also has a positive but insignificant effect on *Green Productivity* (β = 0.059; p = 0.412). In contrast, *Performance-based Compensation* has a positive and significant effect on *Person–Organization Fit* (β = 0.615; $p < 0.001$), as does *Green Reward* (β = 0.146; p = 0.007). Furthermore, *Person–Organization Fit* has a positive and significant effect on *Green Productivity* (β = 0.457; $p < 0.001$). Based on these results, H1 and H2 are not supported, whereas H3, H4, and H5 are supported.

Indirect Effect

The indirect effect results show that *Performance-based Compensation* has a positive and significant indirect effect on *Green Productivity* through *Person–Organization Fit* (β = 0.281; t = 4.690; $p < 0.001$). *Green Reward* also has a positive and significant indirect effect on *Green Productivity* through *Person–Organization Fit* (β = 0.067; t = 2.597; p = 0.010). These findings indicate that *Person–Organization Fit* significantly mediates the relationships between both reward mechanisms and *Green Productivity*. Accordingly, H6 and H7 are supported.

The Effect of Performance-based Compensation on Green Productivity

The results indicate that Performance-based Compensation has a positive but insignificant effect on Green Productivity. This finding differs from Siramiati et al. (2016), who found that performance-based compensation can increase employee motivation, and Rahadian et al. (2020), who reported a positive relationship between compensation and employee performance. The difference may arise from the outcome examined in the present study. Previous research primarily focused on employee motivation or general employee performance, whereas this study examines Green Productivity, which combines productivity objectives with environmental considerations. Wood et al. (2023) also explain that performance-related pay primarily establishes a relationship between performance

achievement and rewards. This mechanism can strengthen employees' efforts to achieve predetermined targets, but it does not necessarily incorporate environmental objectives into the performance criteria.

The result also provides an important distinction between Performance-based Compensation and Green Reward. Performance-based Compensation is primarily performance-oriented, meaning that employees are rewarded for achieving work targets or performance standards. If the performance indicators used by the organization emphasize production volume, output, or completion of work, employees may focus on achieving those indicators without giving equal attention to resource efficiency or environmental impacts. The insignificant direct effect found in this study can therefore be understood as an indication that performance-based compensation needs to be connected with environmental performance criteria if it is expected to contribute directly to Green Productivity.

The Effect of Green Reward on Green Productivity

Green Reward has a positive but insignificant direct effect on Green Productivity. This finding differs from Javed et al. (2024), who associated Green Reward with environmental performance, as well as Basile et al. (2022) and Kuo et al. (2022), who emphasized the relationship between green rewards or green compensation and employee green behavior. The difference may be related to the dependent variable used in this study. Green behavior and environmental performance represent important components of sustainability, but Green Productivity combines environmental performance with productivity and resource-efficiency outcomes. A reward for environmentally responsible behavior may therefore encourage green behavior without necessarily producing an immediate improvement in overall organizational productivity.

The result is also relevant to the distinction between conventional performance rewards and environmental rewards. Green Reward is specifically directed toward environmental contributions, such as participation in environmental programs, environmentally responsible behavior, and resource conservation. However, if these rewards are not embedded within employees' broader understanding of organizational values and objectives, their influence may remain limited at the behavioral level. This provides an explanation for the positive direction of the relationship in this study, while the effect does not reach statistical significance.

The Effect of Performance-based Compensation on Person–Organization Fit

The results show that Performance-based Compensation has a positive and significant effect on Person–Organization Fit. A performance-based compensation system communicates organizational expectations regarding performance, achievement, fairness, and contribution. When employees understand how their performance is evaluated and how achievement is connected to organizational rewards, they may develop a clearer perception of what the organization values. This can strengthen the perceived alignment between individual goals and organizational goals. The finding is consistent with the broader literature showing the importance of compensation in shaping employee-related outcomes. Siramiati et al. (2016) found that performance-based compensation can strengthen employee motivation, while Rahadian et al. (2020) showed the relevance of compensation to employee performance.

The result also complements the perspective of Person–Organization Fit, in which compatibility is not limited to similarity of personal values but can involve alignment

between employee expectations and organizational systems. When the compensation system is perceived as fair, transparent, and connected to performance, employees may perceive that the organization provides an environment consistent with their expectations regarding effort and reward. This helps explain why Performance-based Compensation has a strong relationship with Person–Organization Fit even though its direct effect on Green Productivity is insignificant.

The Effect of Green Reward on Person–Organization Fit

The results demonstrate that Green Reward has a positive and significant effect on Person–Organization Fit. This finding indicates that environmental rewards are associated with employees' perceptions of compatibility with the organization. When organizations recognize environmentally responsible behavior through financial or non-financial rewards, employees may perceive that environmental sustainability represents a genuine organizational priority.

The result is consistent with Cesário et al. (2022), who examined the relationship between GHRM practices and Person–Organization Fit. The finding also corresponds with Javed et al. (2024), who positioned Green Reward as an important component of GHRM in encouraging environmental involvement. Green rewards can communicate organizational environmental values to employees, allowing employees whose personal values are compatible with sustainability to perceive stronger alignment with the organization.

The relatively smaller coefficient compared with Performance-based Compensation (0.146 versus 0.615) suggests that the relationship between Green Reward and Person–Organization Fit is present but weaker. This may reflect the more specific nature of environmental rewards. Performance-based compensation is experienced through general work targets and compensation systems that affect employees' daily employment relationship, whereas green rewards may be associated with more specific environmental activities. Even so, the significant relationship indicates that environmental reward practices remain relevant in shaping employee–organization compatibility.

The Effect of Person–Organization Fit on Green Productivity

Person–Organization Fit has a positive and significant effect on Green Productivity. This result indicates that employees who perceive greater compatibility between their values, goals, needs, and abilities and those of the organization tend to report higher levels of Green Productivity. The finding places employee–organization compatibility as an important factor in translating organizational human resource practices into productivity outcomes that incorporate environmental considerations. The result is consistent with Prahara and Ariawan (2023), who found a positive relationship between Person–Organization Fit and employee performance. It is also consistent with Nurhayati et al. (2024), who demonstrated the relevance of P-O Fit to employee-related outcomes. In the context of the present study, the effect extends this perspective toward Green Productivity. Employees who identify with organizational objectives may be more willing to support resource efficiency, waste reduction, environmental compliance, and sustainable operational practices because these activities are perceived as consistent with what the organization values.

This finding is particularly relevant to an organic coconut processing company. Green productivity requires employee participation in operational practices that cannot be achieved solely through formal reward systems. Efficient use of materials, reduction of production waste, appropriate resource utilization, and environmental responsibility depend partly on

how employees interpret and support organizational objectives. P-O Fit can facilitate this alignment by connecting individual values and organizational sustainability goals.

The Mediating Role of Person–Organization Fit

The indirect effect analysis shows that Person–Organization Fit significantly mediates the relationship between Green Reward and Green Productivity. Person–Organization Fit also significantly mediates the relationship between Performance-based Compensation and Green Productivity. These findings provide an important explanation for the insignificant direct effects of both reward mechanisms on Green Productivity.

The mediation pattern indicates that reward systems become more meaningful when they contribute to employees' perceptions of compatibility with the organization. Performance-based Compensation strengthens P-O Fit, which subsequently contributes to Green Productivity. The same mechanism occurs with Green Reward, although the indirect effect is smaller. Taken together, the findings suggest that Green Productivity is not simply a consequence of providing financial or non-financial rewards. The effectiveness of these practices depends on whether employees perceive that the reward system reflects organizational values and objectives that are compatible with their own. This extends previous research on compensation, GHRM, green rewards, and P-O Fit by showing that employee–organization compatibility can serve as an explanatory mechanism connecting reward practices with environmentally oriented productivity.

CONCLUSION

Performance-based Compensation and Green Reward are not proven to have significant direct effects on Green Productivity. This indicates that performance-based compensation and environmental rewards alone do not automatically increase green productivity in the context of PT Natural Indococonut Organik. In contrast, both Performance-based Compensation and Green Reward have positive and significant effects on Person–Organization Fit, while Person–Organization Fit has a positive and significant effect on Green Productivity. The mediation results further show that Person–Organization Fit significantly mediates the relationships of both Performance-based Compensation and Green Reward with Green Productivity. These findings indicate that the effectiveness of organizational reward systems in supporting green productivity depends on employees' perceived compatibility with organizational values, goals, needs, and abilities. Organizations therefore need to align performance-based and environmentally oriented reward systems with organizational values and sustainability objectives so that employees can translate these practices into improved green productivity.

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