

Effect Of Reward And Punishment On Employee Performance

¹Agtovia Frimayasa, ²Windayanti, ³Fathiani, ⁴Rahmat, ⁵Wenny Desty Febrian
^{1,2,3,4,5}Universitas Dian Nusantara, Indonesia

Corresponding Author : agtovia.frimayasa@undira.ac.id

Abstract —This study aims to determine the effect of Reward and Punishment on employee performance at PT Askrindo (Persero) Jakarta. The type of research used is quantitative. Data was collected by distributing questionnaires to 51 respondents to employees of PT Askrindo (Persero) Jakarta. The results showed that the Reward variable (X1) had a positive and significant effect on the Employee Performance variable (Y) and the Punishment variable (X2) had a positive and significant effect on the Employee Performance variable (Y) through t test (partial test) with the value of the Reward variable coefficient (X1) is 3.201, while the t-table value is 1.685. So it can be concluded that the t-count is $3.201 > t\text{-table } 1.67722$ and the significant value is 0.002, and the value of the Punishment coefficient (X2) is 1.67722, so it can be concluded that the t-count is $3.735 > t\text{-table } 1.67722$ and the significant value is 0.000. The calculation result of Adjusted R Square shows that 78% of employee performance can be influenced by Reward and Punishment.

Keywords : Leadership Style, Work Motivation, Employee Performance

I. INTRODUCTION

In the current era of globalization, competition in the financing sector is getting tougher with digital financing. The success of the Company is largely determined by the human resources in it without the support of reliable human resources. The company's activities will not run well, therefore the company must be able to properly utilize all the components of its human resources to be able to improve the competitiveness of human resources which have an important role in every company activity. The importance of the role of human resources is reflected in the company's need to make human resource management strategies parallel to the importance of strategies in other fields. Human resource management is one of the planning, organizing, coordinating, implementing, and supervising the procurement, development, service delivery, integration, maintenance, and separation of the workforce in order to achieve organizational goals (Mangkunegara, 2017). The problem that is often faced by companies in achieving goals is the poor performance of employees. Performance is the result or level of success of a person as a whole during a certain period in carrying out tasks compared to various possibilities, such as work standards/levels or criteria (Robbins, 2015). Performance is a major factor in the company's success. Various ways will be taken by the company in improving the performance of its employees. Good performance will produce positive, bad performance will have a negative impact on the company.

Performance comes from performance or actual performance of work performance or actual achievements achieved by someone. The definition of performance is the quality and quantity of work presented by an employee in carrying out his duties in accordance with the responsibilities given to him. Performance can be seen in terms of skills, skills, knowledge and sincerity of the employee concerned. Performance carried out with hard work will produce the expected organizational goals. In addition, performance can be self-motivated for employees with the abilities one has which will lead to competitive competition to conduct assessments, resulting in high performance achievements (Lawu et al., 2019). Performance is the result or level of success of a person as a whole during a certain period in carrying out tasks compared to various possibilities, such as work standards, targets/targets or criteria (Robbins, 2015). Performance or performance is a description of the level of achievement of the implementation of an activity program or policy in realizing the goals, objectives, vision and

mission of the organization as outlined through the strategic planning of an organization. Within the organizational framework, performance is the result of an evaluation of the work being done compared to predetermined criteria, individual performance or staff performance needs attention, because individual performance will contribute to group performance and ultimately organizational performance (Frimayasa et al., 2018). According to (Wibowo, 2016) emphasizes the importance of money as compensation for employee contributions to organizational goals/compensation as a financial reward consisting of: Membership and seniority-based rewards, job status-based rewards, competency-based rewards, and Performance-based rewards (Wibowo, 2016). individual rewards, team rewards and organizational rewards). Reward is a motivation for employees in doing their job. A good reward system is a system that is able to ensure the satisfaction of the company's employees which in turn allows the company to acquire, maintain, and employ a number of people who with various positive attitudes and behaviors work productively for the benefit of the company.

According to (Schuler, 1999) Punishment can also provide unwanted side effects. Punishment often also only brings short-term pressure on unwanted behavior, but does not remove it. Punishment is an unpleasant act in the form of punishment or sanctions given to employees consciously when there is a violation so as not to repeat it again. Punishment is an unpleasant or unintentional consequence given by superiors for certain actions taken. Penalty (penalty) When used effectively, can suppress organizational behavior. In other words, punishment must come after execution carefully and objectively considering all aspects related to the situation.

II. LITERATURE REVIEW

A. Employee performance

Etymologically, performance comes from the word performance. As stated by (Mangkunegara, 2017) that the term performance comes from the word job performance or actual performance (work achievement or actual achievement achieved by someone), namely the quality and quantity of work achieved by an employee in carrying out his duties according to the responsibilities given to him. . Furthermore (Mangkunegara, 2017) The term performance comes from the word Job Performance or Actual Performance (work achievement or actual achievement achieved by someone). Performance (work achievement) is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him.

According to (Mangkuprawira, 2003) Performance is the result of a certain work process in a planned manner at the time and place of the employee and the organization concerned. The size of the work can be seen in terms of the number and certain quality according to the standards of the organization or company. Performance is the result of someone's work that describes the quality and quantity of work that has been done. Performance from one person to another may differ, due to different driving factors. Employee performance is very important because the performance of an employee in an agency will determine the effectiveness of the agency's performance. If the employee's performance is not good, the agency's performance will be not good. Likewise, if the employee's performance is good, the agency's performance will be good (Frimayasa & Lawu, 2020).

B. Reward

Implementation of the work given by the manager and the results obtained, workers receive wages or salaries. Meanwhile, to improve performance, managers provide incentives for workers who can provide work performance beyond the expected performance standards. In addition to wages, salaries and incentives, leaders often provide additional other recipients in an effort to better appreciate the performance of their workers. In other words, the company provides awards or rewards. Meanwhile (Mahmudi, 2019) reward is a positive assessment of employees. Meanwhile, according to (Handoko, 2017) reward is a form of appreciation for efforts to get a professional workforce in accordance with the demands of the position, a balanced coaching is needed, namely an activity of planning, organizing, using, and maintaining the workforce in order to be able to carry out tasks effectively and efficiently. .

According to (Faldian, 2011) reward or award is a form of appreciation for a certain achievement given, both by and from an individual or an institution which is usually given in the form of material or speech. According to (Fahmi, 2017) reward is a form of remuneration given to an employee for the performance of the work done, both in the form of financial and non-financial. Rewards are gifts, prizes, or rewards. In the concept of management, compensation is a means to motivate employees. This method can also link a person's behavior or behavior with feelings of well-being or joy, which can lead to repetitive behavior in addition to reward motivation, which is usually aimed at activating a person. Again, an attempt to improve and enhance what has

been achieved. From this, we can conclude that compensation is compensation provided by the company for employee contributions.

C. Punishment

Punishment according to language comes from English, namely from the word punishment which means law (punishment) or torture. In the Complete Indonesian Dictionary, punishment has the meaning of official regulations that regulate. Punishment is suffering that is given or inflicted intentionally by someone (parents, teachers, etc.) after a violation, crime or mistake has occurred. A punishment is a direct consequence given to an operant behavior that causes the behavior to decrease in frequency. Punishments are sometimes called aversive stimuli, or avertives. Once an event is determined to serve as a punishment for a certain behavior of an individual in a certain situation, then the event can reduce the operant behavior of that individual in other situations. The principle of punishment (punishment) is related to the concept of punishment (punishment), if a certain situation someone does something that is immediately followed by a punishment (punishment), then the behavior will reduce the tendency to do the same thing when in the future encounter the same situation. (Ivancevich, John, M, 2008) Punishment is defined as the act of presenting unpleasant or unwanted consequences as a result of doing certain behaviors. (Mangkunegara, 2017) punishment is a threat of punishment that aims to improve the performance of violators' employees, maintain applicable regulations and provide lessons to violators. (Veithzal Rivai, 2015) Punishment is also defined as a tool used by leaders to communicate with employees so that they are willing to change a behavior as well as an effort to increase awareness and availability of a person to comply with all company regulations and applicable social norms. Meanwhile, another opinion states (Purwanto, 2007: 3) Punishment is suffering given or intentionally caused by someone after a violation, crime or error has occurred on the basis of the consequences of actions that have been done.

III. METHOD

This research uses quantitative methods and descriptive analysis by processing and interpreting existing data so as to provide an overview of the effect of Reward and Punishment on employee performance at PT Askrindo (Persero) Jakarta. The research was carried out at PT Askrindo (Persero) having its address at Graha Askrindo Jalan Angkasa Blok B No. 9, No. Kav. 8, Jl. Exorbitant, Mr. Sahari Sel., Kec. Kemayoran, Central Jakarta City, Special Capital Region of Jakarta 10610. Statistical data processing is assisted by the SPSS 26.0 application program. The samples taken were 51 respondents, the statistical tests carried out included: Validity and Reliability Test, linear regression test, Correlation Coefficient Test, Coefficient of Determination Test and t-test.

IV. RESULT AND DISCUSSION

A. Validity test

The validity test was carried out to measure the validity or at least the indicator or questionnaire of each variable. The test is done by comparing r_{ii} count and r table by using SPSS 26.0 program. Furthermore, testing the validity of the data using a two-sided test with a significant level of 5%. This validity test was carried out on 47 respondents, then r table df $n - 2$ with a significant level of 5%, $df = 51 - 2 = 49$, then r table = 0.2329 The level of validity of the indicator or questionnaire can be determined, if r count > r table = valid and if r count < r table is declared invalid. The results of the validity test can be seen in full in the table below using r count and r table, as follows:

Reward Variable Validity Test Results

Question	r count	r table	Information
R1	0,614	0,2329	valid
R2	0,866	0,2329	valid
R3	0,496	0,2329	valid
R4	0,434	0,2329	valid
R5	0,636	0,2329	valid
R6	0,676	0,2329	valid
R7	0,414	0,2329	valid
R8	0,651	0,2329	valid

R9	0,455	0,2329	valid
----	-------	--------	-------

Punishment Variable Validity Test Results

Question	r count	r table	Information
R1	0,255	0,2329	Valid
R2	0,369	0,2329	Valid
R3	0,587	0,2329	Valid
R4	0,638	0,2329	Valid
R5	0,716	0,2329	Valid
R6	0,591	0,2329	Valid
R7	0,543	0,2329	Valid
R8	0,561	0,2329	Valid
R9	0,514	0,2329	Valid

Employee Performance Variable Validity Test Results

Question	r count	r table	Information
K1	0,775	0,2329	Valid
K2	0,634	0,2329	Valid
K3	0,839	0,2329	Valid
K4	0,413	0,2329	Valid
K5	0,701	0,2329	Valid
K6	0,491	0,2329	Valid
K7	0,775	0,2329	Valid

From the table the results of the validity test show that the calculated r value for each indicator of the Reward variable is greater than the table r value. Thus the indicators or questionnaires used by each of the Reward, Punishment and Employee Performance Variables are declared valid to be used as a variable measuring instrument.

B. Reliability Test

Reliability test is used to determine whether the indicators or questionnaires used can be trusted and reliable as a variable measuring instrument. (Cronbach's Alpha is very suitable for use on scalar scores eg 1-4, 1-5) or range scores (misal 0-20, 0.50), for testing usually use certain limits such as 0.6. Reliability less than 0.6 is not good, while 0.7 is acceptable and above 0.8 is good.

Reliability Test Table

Variable	Cronbach's Alpha	Standard Reliability	Information
<i>Reward</i>	0,856	0,6	Realible
<i>Punishment</i>	0,821	0,6	Realible
Employee performance	0,876	0,6	Realible

The value of Cronbach's Alpha for all variables is greater than 0.60 so it can be concluded that the indicators or questionnaires used by the Reward and Punishment variables as well as Employee Performance are all said to be reliable and can be trusted as a variable measuring instrument.

C. Normality Test

Normality test aims to test whether in the regression model the dependent variable and the independent variable both have a normal distribution or not. The way that can be taken to test the normality of the data is to use the Normal P-P Plot Graph by looking at the spread of the data. If on the graph the data distribution follows a straight line pattern, then the data is normal. If the test of normality table using Kolmogorov-Smirnov sig value > 0.05 , then the data is normally distributed. The normality test in this study is as follows:

**Normality Test
One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		51
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	1,48619150
Most Extreme Differences	Absolute	,086
	Positive	,070
	Negative	-,086
Test Statistic		,086
Asymp. Sig. (2-tailed)		,200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

The Kolmogorov Smirnov test table shows that the residual data obtained follows a normal distribution, based on the results of $0.200 > 0.05$. Thus, the residual data are normally distributed and the regression model has met the assumption of normality.

D. Multicollinearity Test

**Multicollinearity Test
Coefficients^a**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1,473	2,079		,709	,482		
	Reward	,339	,106	,423	3,201	,002	,263	3,808
	Punishment	,389	,104	,493	3,735	,000	,263	3,808

a. Dependent Variable: Kinerja_Karyawan

From the results of the multicollinearity test, it is known that the value of the variance inflation factor (VIF) of the two variables is smaller than 10, so it can be assumed that there is no multicollinearity between the independent variables in the regression model.

E. Autocorrelation Test**Autocorrelation Test
Runs Test**

	Unstandardized Residual
Test Value ^a	,28621
Cases < Test Value	25
Cases >= Test Value	26
Total Cases	51
Number of Runs	30
Z	,993
Asymp. Sig. (2-tailed)	,321

a. Median

From the results of the Run Test above, the Asymp.Sig (2-tailed) result is $0.321 > 0.05$, it can be concluded that there is no autocorrelation symptom, so it can be concluded that the regression analysis can be continued.

F. Heteroscedasticity Test

Heteroscedasticity test aims to test whether in the regression model there is inequality of variance. The results of the Glejser Heteroscedasticity statistical test obtained in this study are as follows:

Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,192	1,246		-,154	,878
	Reward	,067	,063	,292	1,055	,297
	Punishment	-,031	,063	-,135	-,489	,627

If the significance value (Sig) between the independent variable and the absolute residual is greater than 0.05, then there is no heteroscedasticity problem. Judging from the table above, the significance value of Reward $0.67 > 0.05$ and the significance value of Punishment $0.627 > 0.05$ can be concluded that there is no heteroscedasticity problem in the regression model can be continued.

G. Correlation Coefficient and Determination

Multiple linear correlation coefficient is an index number used to measure the closeness of the relationship between two variables. While the coefficient of determination has a function to explain the extent to which the ability of the independent variable (Employee Performance) to the dependent variable (Reward and Punishment). The results of statistical processing assisted by the SPSS 26.0 for windows program show that:

**Correlation Coefficient and Determination
Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,883 ^a	,780	,771	1,517

a. Predictors: (Constant), Punishment, Reward

b. Dependent Variable: Kinerja_Karyawan

The correlation coefficient test (R) between the Reward (X1) and Punishment (X2) variables with the Employee Performance variable (Y1) was obtained at 0.780 while the independent variable was able to explain

the dependent variable at 78.0%, while the remaining 22% were explained by other variables that did not included in this model (not studied).

H. Hypothesis Test Using t Test or Partial Test

Hypothesis Test

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1,473	2,079		,709	,482
	Reward	,339	,106	,423	3,201	,002
	Punishment	,389	,104	,493	3,735	,000

a. Dependent Variable: Kinerja_Karyawan

Effect of Reward (X1) on Employee Performance (Y). In the table above, the t-count value for Reward is 3,201 . While the t-table value is 1,685. So it can be concluded that the t-count is $3.201 > t\text{-table}$ is 1.67722 and the significant value is 0.002 according to 0.05. So that the hypothesis which reads that there is a significant influence between Rewards on Employee Performance is accepted, meaning that partially there is a significant influence between Reward and Employee Performance, thus H1 is accepted.

In the table above, the t-count for Punishment is 3,735. While the t-table value is 1.67722. So it can be concluded that the t-count is $3.735 > t\text{-table}$ is 1.67722 and the significant value is 0.000 according to 0.05. So that the hypothesis which reads that there is a significant influence between Punishment on Employee Performance is accepted, meaning that partially there is a significant influence between Punishment and Employee Performance, thus H2 is accepted.

Simultaneous Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	391,915	2	195,957	85,169	,000 ^b
	Residual	110,438	48	2,301		
	Total	502,353	50			

a. Dependent Variable: Kinerja_Karyawan
b. Predictors: (Constant), Punishment, Reward

The results of the output test in the table above obtained a significant result of $0.000 < 0.05$, which means that H1 is accepted. This means that Reward and Punishment have a significant influence on employee performance.

V. DISCUSSION

Based on the descriptions and explanations that have been put forward in the previous discussion, it can be concluded that Reward (X1) partially has a positive and significant effect on Employee Performance at PT Askrindo (Persero) Jakarta. Punishment (X2), partially positive and significant effect on Employee Performance at PT Askrindo (Persero) Jakarta. This means that if the reward is increased it will have a positive effect on employee performance. If the Punishment is increased it will have a positive effect on Employee Performance. The calculation result of Adjusted R Square shows that 78% of employee performance can be influenced by Reward and Punishment.

REFERENCES

- Fahmi, I. (2017). Manajemen Sumber Daya Manusia. Alfabeta.
- Frimayasa, A., & Lawu, S. H. (2020). Pengaruh komitmen organisasi dan human capital terhadap kinerja pada karyawan pt. Frisian flag. *Equilibrium: Jurnal Ilmiah Ekonomi, Manajemen Dan Akuntansi*, 9(1).
- Frimayasa, A., Kurniawan, A., & Shinta, M. R. (2018). Pengaruh Gaya Kepemimpinan Terhadap Kinerja Karyawan pada PT. Pos Indonesia.

- Ghozali, I. (2012). Aplikasi Analisis Multivariate dengan Program IBM SPSS. Universitas Diponegoro.
- Handoko. (2017). Manajemen Sumber Daya Manusia (Revisi). Bumi Aksara.
- Ivancevich, John, M. dkk. (2008). Perilaku dan Manajemen Organisasi. Erlangga.
- Lawu, S. H., Shinta, M. R., & Frimayasa, A. (2019). Pengaruh Budaya Organisasi Terhadap Kinerja Karyawan Pada Kantor Kelurahan Cipinang Cempedak Jakarta Timur. Aktiva-Jurnal Penelitian Ekonomi Dan Bisnis, 3(2), 11–20.
- Mahmudi. (2019). Manajemen Kinerja Sektor Publik (3rd ed.). UPP STIM YKPN.
- Mangkunegara, A. A. A. P. (2017). Manajemen Sumber Daya Manusia Perusahaan. Remaja Rosdakarya.
- Mangkuprawira. (2003). Manajemen Sumber Daya Manusia. Ghalia Indonesia.
- Robbins, S. . dan J. T. . (2015). Perilaku Organisasi. Salemba Empat.
- Sosrowidigdo, S., Priadi, A., & Yusuf, Y. (2011). Analysis Of Competence And Influence On The Performance Of Teacher Of Emotional Intelligence In at SMA Islam Al-Izhar Pondok Labu. ISSIT 2011, 1(1), 36-48.
- Suherman, A. (2021). The effect of human agility, digital literature, curriculum and the role of the family on the interest of the millennial generation in entrepreneurship through capabilities as intervening variables. Journal of Economics and Business Letters, 1(2), 4-17.
- Veithzal Rivai. (2015). Manajemen Sumber Daya Manusia Untuk Perusahaan. Rajawali Pers.
- Wibowo. (2016). Manajemen Kinerja. PT. Raja Grafindo Persada.