

**THE EFFECT OF REWARDS AND PUNISHMENT ON EMPLOYEE
PERFORMANCE ACHIEVEMENT INPT. NURLENNI KAHAR SPBU 7492212
NORTH GALESONG AXLE**

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Abstract

The purpose of this research is to determine the effect of rewards on employee performance and punishment on employee performance at PT. Nurleni Kahar SPBU 7492212 North Galesong Axle. The sample used in this research was 33 respondents using the census method or saturated sample. The type of research data used in this research is quantitative data. Data collection was carried out by observation and questionnaires distributed to respondents. In this research, the data collected includes primary and secondary data. The analysis method used is multiple klinear regression using the SPSS program. The research results show that rewards have a positive and significant effect on employee performance and punishment has a positive and significant effect on employee performance at PT. Nurleni Kahar SPBU 7492212 North Galesong Axle.

Keywords: Rewards, Punishment, Employee Performance

INTRODUCTION

Increasing growth in the business world has increased the level of competition, especially in the service sector. As a result of these advances, companies face increasingly complex challenges. This complexity arises because competition is increasingly fierce, requiring companies to achieve product sales in line with anticipated targets. This necessity underlines the need to improve the quality of human resources.

As emphasized by Mansyur (2013), a company can be conceptualized as a system consisting of various interconnected component parts, each of which functions as a subsystem with different benefits for the entire organization. The relationship between individual performance and organizational performance is closely related, emphasizing the importance of effective HR management. According to Mangkunegara (2010), employee performance is the culmination of the quality and quantity of work carried out by an employee in accordance with the responsibilities given. To improve and maintain optimal and consistent employee performance, one of the key factors is the company's consideration of the work environment. Elements such as the application of rewards play an important role in influencing employees' ability to fulfill their duties and responsibilities (Darwis, 2020).

As explained by Nugroho (2006), awards are prizes or incentives designed to increase employee motivation and encourage increased performance. When employees achieve predetermined targets, they are given awards which are usually called rewards with the aim of increasing motivation and optimizing their performance. Apart from rewards, another factor that influences employee performance is the application of punishment (Mawardaah, 2023).

Punishment is a corrective action against employees who do not comply with the regulations that have been set in accordance with the company's operational standards (SOP). This is implemented to prevent and overcome errors or violations committed by individuals in a company or organization (Mawarddah, 2023).

Giving punishment basically aims to create a deterrent effect so that employees do not repeat violations. In companies, employees who make mistakes that can have a negative impact on the organization can face various forms of punishment, including verbal warnings, official warning letters (SP), salary delays, and, worst of all, termination of employment (Plutzer, 2021). Rewards and punishments play an important role in motivating employee performance because they contribute to improving quality and fostering responsibility in completing tasks. Although rewards and punishments are closely related concepts in contrast to each other, they both serve to provide incentives to employees to improve the quality of their work. This mechanism collectively encourages employees to strive to improve performance (Plutzer, 2021).

Motivation such as rewards and punishments have a significant correlation with employee motivation, a principle that applies to individuals working in banking institutions. Increasing competition in both the banking and non-banking sectors underscores the need for institutions to develop strategies that can improve employee performance. This requirement is exemplified by PT. Nurlenni Kahar SPBU 7492212 North Galesong Axle operates in the context of increasingly fierce competition, so it has adopted a strategy to increase employee effectiveness.

RESEARCH METHODS

This research uses quantitative methods with an explanatory research approach which aims to provide a factual, systematic and accurate description of a symptom, event or event. In this research, the researcher attempts to explain in detail the event that is the focus of the research without taking special action or treatment towards the event. The research will take place at the location of PT. Nurlenni Kahar SPBU 7492212 North Galesong Axle. The choice of research location was based on the ease of researchers in accessing the required data such as primary data and secondary data.

RESULTS AND DISCUSSION

A. Research Result

1. Respondent Characteristic

Table 1. Responden Characteristics

No	Gender	Frequency	Percentage
1	Man	21	63,6%
2	Woman	12	36,4%
	Total	33	100%

Based on gender, as presented in Table 1, it can be seen that the majority of respondents in this study were male. This shows that at PT. Nurlenni Kahar SPBU 7492212 North

Galesong Axle requires more male employees. However, there are also fewer respondents who are female.

2. Reliability Test

a. Reliability Test Variable X1

Table 2. Reliability Test Variable X1

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardizer Items	N of Items
0,751	0,758	10

For the Reward variable (X1), Cronbach's Alpha was obtained at 0.751, so the questionnaire for this variable was declared reliable because it was > 0.70 .

b. Reliability Test Variable X2

Table 3. Reliability Test Variable X2

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardizer Items	N of Items
0,869	0,884	8

For the Punishment variable (X2), Cronbach's Alpha was obtained at 0.869, so the questionnaire for this variable was declared reliable because it was > 0.70 .

c. Reliability Variable Test Y

Table. 4 Reliability Test Variable Y

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardizer Items	N of Items
0,776	0,783	7

For the employee performance variable (Y), a Cronbach's Alpha was obtained of 0.776, so the questionnaire for this variable was declared reliable because it was > 0.70 . Based on the results of reliability tests carried out on all items in this study, it shows that all research items can be said to be reliable (the reliability coefficient value is greater than 0.70) and thus can be used as instruments in measuring the variables determined in this study.

3. Partial Test (t)

Table 5. Partial Test (t)

Coefficient						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig
		B	Std. Error	Beta		
1	(Constant)	4,882	3,003		1,626	,114
	<i>Reward (X1)</i>	,160	,065	,261	2,479	,019
	<i>Punishment (X2)</i>	,549	,081	,710	6,744	,000

- The variable X1 (reward) provides a parameter coefficient value (t-count) of 2.479 with a significance level of 0.000 (<0.05). This means that H1 is accepted so it can be concluded that rewards have a positive and significant effect on performance because the level of significance of the reward variable is <0.05 ($0.00 < 0.05$) and the t-count value is $>$ t-table ($2.479 > 1.699$).
- The variable X2 (punishment) provides a parameter coefficient value (t-count) of 6.744 with a significance level of 0.000 (<0.05). This means that H2 is accepted so it can be concluded that punishment has a positive and significant effect on performance because the level of significance of the variable reward < 0.05 ($0.00 < 0.05$) and the t-count value $>$ t-table ($6.744 > 1.699$).

4. Determination Test

**Table 6. Determination Test
Model Summary^b**

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	,848 ^a	,720	,701	1,25621

Based on table 6, it is known that the coefficient of determination (R square is 0.720), this means that the percentage contribution of the independent variables (reward and punishment) to the dependent variable (employee performance) is 72.0%. The variations in the independent variables used in the model (refund and punishment) are able to explain 72.0% of the variations in the dependent variable (employee performance). Meanwhile, the remaining 30.0% is influenced or explained by other variables not included in this research model. This means that the higher the reward and punishment, the higher the employee's performance.

B. Discussion

The results of the analysis show that the reward variable (X1) has a higher beta value compared to the punishment variable (X2) or with a beta value ($0.160 < 0.549$). This shows

that when both are improved, performance will both increase, only the higher performance achieved is performance due to an increase in rewards.

CONCLUSION

This research aims to examine the effect of Reward and Punishment on employee performance at PT. Nurlenni Kahar SPBU 7492212 North Galesong Axle. Based on the results of research and discussion, it can be concluded as follows:

1. Rewards have a positive and significant effect on performance. This means that when rewards are increased, especially in the form of salary increases and bonuses as a form of improving employee health, it will have an impact on increasing the performance of PT employees. Nurlenni Kahar SPBU 7492212 North Galesong Axle.
2. Punishment has a positive and significant effect on employee performance. This means, when punishment is strictly enforced, such as delaying salaries as a punishment for minor offenses and even dismissing employees as a form of severe punishment, then employees will perform well and strictly comply with the regulations that apply in the PT company. Nurlenni Kahar Gas Station 7492212 North Galesong.

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