

Analysis of the effects of Reward and Punishment on Employee Performance in the Goods Delivery Service Industry

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ABSTRACT

The purpose of this study was to determine the conditions for giving Reward and Punishment to employee performance. The research variables consist of: Reward (X1), Punishment (X2) and Employee performance (Y). This research was conducted with a quantitative approach. This research is verified with the research method is non-experiment with survey method. Respondents of this study were Office employees. Data collection was carried out by distributing questionnaires to 55 respondents. Data analysis and hypothesis testing using multiple regression. The results of research and hypothesis testing show that: (1) the provision of rewards has a strong and positive relationship with employee performance achievement. (2) punishment has a significant influence on employee performance achievement. (3) partially, the provision of rewards together with punishment has a significant effect on employee performance.

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1. INTRODUCTION

Every company must have a human resource management process which includes regulations for providing rewards and punishments, where rewards and punishments are important things that can influence employee performance. A company must have several things to develop employees to progress and become even better. One of them is Reward, which has several uses including development for employees. The purpose of this reward is to create an efficient result that can be carried out throughout the organization or company. Rewards are the most popular management topic, where reward management was developed on the basis of behavioral research by psychologists. When we look at the present, motivation theories become part of reward management [1].

Reward management is related to a process, policy and strategy which is very important for the company through employees. The purpose of rewards is to reward or reward employees fairly and consistently within the company. The reason is that by having a reward system in a company, this will motivate employees to work harder to achieve good goals through the company. Reward management is not only related to wage results but it is related to employee benefits, non-financial rewards (training, development and environment) to increase the company's success [2].

In a company the most important factor is the people in the company. One of them is investing in employees. Companies seek to develop, motivate and improve the performance of their employees in various human resource strategies. Therefore, the reward system has become the most effective strategy for human resources. The reward management system is the core of a discipline related to human resources and is a strategic partner with company management. Apart from that, this system has a very important role in employee performance [3].

The goal of the project is to create an AI algorithm-based ethical decision-making framework that takes into account the various environmental factors – physical, social, and economic – that impact worker performance. Organizations use management control systems to guide and motivate employees to strive to achieve organizational goals [4]. It has long been recognized that control inherently has both guiding and limiting aspects [5].

Environmental factors are environmental factors around the employee's environment and workplace, which include the cleanliness of the workplace and an uncomfortable work environment, which can cause illnesses such as vision problems, back pain and headaches, and daily travel to come home from the office. Employee attitudes, behavior, happiness and productivity are significantly influenced by the indoor and outdoor environment in the workplace. An easy working environment is very important for workers to concentrate and do their work perfectly [6].

Given the different nature of managerial and operational work, it is unclear whether observations regarding the effectiveness of enabling controls at the managerial level also apply to other types of employees. Furthermore, these studies have largely focused on enabling performance measures, which are a component of outcome control [7]. Enabling control and employee performance introduced the notion of enabling versus forcing formalization to understand when formalization is experienced as supportive or constraining. The main goal of a coercive control system is the achievement of the organization's organizational goals by reducing goal differences and information asymmetry between employees and the organization. The enabling approach to control allows for adaptation, flexibility, and information sharing to help employees deal with uncertainty and contingency.

The reward management systems have a major impact on an organization's ability to recruit, retain and motivate employees who have high potential and as a result obtain high levels of performance as well. On the other hand, it is very important to invest in the development of employees to improve the skills and abilities of both employees and the company. An invitation from the company is one of the factors to motivate employees so that they are socially motivated to try hard to provide benefits to the company [3]

The word reward comes from English which means reward or prize [8]. Reward is a form of remuneration given to an employee for work performance, both financial and non-financial. Rewards is a form of appreciation for efforts to obtain professional workers in accordance with the demands of the position, which requires balanced development, namely an effort to plan, organize, use and maintain the workforce so that they are able to carry out their duties effectively and efficiently [9]

Employee performance is initially what the employee does or does not do. Employee performance can include: quantity of output, quality of output, timeliness of output, attendance at work, cooperation. Organizations tend to focus on financial rewards, and non-financial rewards are becoming increasingly neglected [7]. Each employee has their own needs and motivations. Therefore, managers must carefully select appropriate rewards that suit individual needs. Some are motivated by money, while others are motivated by recognition, career advancement or personal growth; indirect or instant material benefits [10]. Therefore, it would be wrong to assume that everyone has the same motivations and needs. Many researchers have found that employee job satisfaction is influenced by financial and non-financial rewards [11]. Financial and non-financial. Ineffective reward management will affect employee satisfaction and reduce their motivation, thereby affecting their performance results.

Punishment defined as a tool used by leaders in communicating with employees so that they are willing to change behavior and as an effort to increase a person's awareness and availability to comply with all company regulations and applicable social norms [12]. Punishment is the threat of punishment which aims to improve the performance of employees who violate, maintain applicable regulations and teach lessons to violators. The punishment is a sanction received by an employee because of his inability to do or carry out work as ordered by his superior [5]. So, related to the explanation above, the title was taken, namely Analysis of the effects of reward and punishment on employee performance.

Punishment comes from English which means punishment, sanction or torture punishment is suffering that is given or caused intentionally by someone after an offense, crime or mistake has occurred. Punishment is a sanction received by an employee because of his or her inability to do or carry out work as instructed.

Basically the purpose of giving *punishment* is so that employees who violate feel deterred and will not repeat it again. From these several opinions it can be concluded punishment is an unpleasant act in the form of punishment or sanctions given to employees consciously when a violation occurs so that they do not repeat it again. Punishment is a threat of punishment which aims to improve the performance of employees who violate, maintain applicable regulations and provide lessons to violators. Every job assigned to an employee is in accordance with the provisions that are confirmed at the beginning when the employee works for the company, especially when the employee signs an agreement of willingness to work in accordance with the orders of the decree outlined in the letter. In a giving company activity punishment is a normal activity, because punishment aims to discipline each employee so that they act in accordance with the regulations and behavioral

procedures that have been established by the company [13]. Conditions like this will increase employee performance.

Three types to distinguish between high and low performing employees because these categories influence employee performance. They use achievement categories, leadership categories, and behavior categories. With regard to the achievement category, the author considers the employee's level of attendance, discipline, and work results by analyzing how and whether the person achieves these goals. The performance of company personnel determines a large part of the company's sustainability and growth. Many external aspects (physical/environmental/environmental, social, and economic) that are relevant to employees' lives have been included in this work to measure and anticipate employee performance effectively.

2. METHOD

Explaining the type of research used in this research is quantitative research with a quantitative causal approach. Quantitative research is research that is based on quantitative data where quantitative data is data in the form of numbers [14]. Causal research is research that aims to find, study or test causal relationships that may occur between two or more variables by studying the factors that cause them.

A hypothesis or hypothesis is a temporary statement, or a temporary conclusion or logical conjecture about a population. In statistics, a hypothesis is a statement of population parameters. This population parameter describes the variables that exist in the population, calculated using sample statistics.

H1: There is quite a significant influence from giving rewards (X1) on employee performance (Y)

H2: There is quite a significant influence from giving Punishment (X2) on employee performance (Y)

H3: There is quite a significant influence from giving simultaneously giving rewards (X1) and punishment (X2) to employee performance (Y)

The method used in this research uses quantitative data generated from primary data obtained from interviews and questionnaires for 55 respondents who filled out the questionnaire. The results of the questionnaire are tabulated and processed using the SPSS application and the test results are concluded as a complete research result and as an organizational or company decision maker to determine rewards and punishments for service industry companies.

3. RESULTS AND DISCUSSION

Classic Assumption Test Results is Normality Test Results. The normality test is carried out to see whether the independent and dependent variables have a normal distribution or not in the regression model (Juliandi et al, 2014). Normality testing in this study measures the Kolmogorov Smirnov value. The following are the output results of data processing from the normality test using IBM SPSS Statistics 25 as follows The results of the Kolmogorov Smirnov test show that the significance value (Asymp. Sig. 2 tailed) is $0.200 > 0.05$. So it can be concluded that the residual data values are normally distributed. Results of Determination Coefficient Analysis (R²) Analysis of the coefficient of determination or R-square is used to find out how much the independent variables (reward and punishment) explain and influence the dependent variable (performance) (Juliandi et al, 2014). With the help of IBM SPSS Statistics 25 software, the results of the coefficient of determination analysis can be shown in the following table:

Table 1 Determination Coefficient Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.859 ^a	.737	.729	191.179
a. Predictors: (Constant), Reward Dan Punishment				

Based on the results of the coefficient of determination test, it is known that the coefficient of determination value is 0.729, which means that 72.9% of brand loyalty is determined by the reward and punishment variables. Meanwhile, the remainder, namely 27.1, is influenced by other factors not explained in this study.

Hypothesis Test Results is t Test Results (Partial Test), The t test was carried out to determine whether each independent variable which includes reward (X1) and punishment (X2) has a partial or individual influence on the dependent variable, namely performance (Y) (Ghozali, 2018). Hypothesis testing in this

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research was carried out using a significant level of 0.05 ($\alpha = 5\%$). In general, acceptance or rejection of a hypothesis is carried out using the following criteria:

- a) Compare the calculated t value with the t table

Table 2. t Test Results (Partial Test)

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.864	1,943		-.445	,657
	Rewards	,358	.122	,292	2,927	,004
	Punishment	,759	.132	,466	5,767	,000
a. Dependent Variable: Performance						

If the t table value > t calculated, then H₀ is accepted and H_a is rejected and conversely if the t table value < t calculated, then H₀ is rejected and H_a is accepted with a significance level of 95% or = 5%.

- b) Using significance probability figures

If the significance probability value is > 0.05, then H₀ is accepted and H_a is rejected, and conversely if the significance probability value is < 0.05, then H₀ is rejected and H_a is accepted. the hypothetical decision making in this research is as follows:

1. Hypothesis Testing 1 (H₁)

Based on the results of the t test, the t table value is (1.984) < t count (2.927) with a significance value of 0.004 < 0.05. This means that H₀₁ is rejected and H_{a1} is accepted so that rewards have a positive and significant effect on employee performance.

2. Hypothesis Testing 2 (H₂)

Based on the results of the t test, the t table value is (1.984) < t count (5.767) with a significance value of 0.000 < 0.05. This means that H₀₂ is rejected and H_{a2} is accepted so that punishment has a positive and significant effect on employee performance.

Results of Multiple Linear Regression Analysis, Multiple linear regression analysis was carried out to determine the condition or influence of the independent variables which include: brand image, brand trust and service quality on the dependent variable, namely brand loyalty [15]. By using IBM SPSS Statistics 25, the results of multiple linear regression analysis can be shown.

Table 2 Multiple Linear Regression Analysis

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.864	1.943		-.445	.657
	Reward	.358	.122	.292	2.927	.004
	Punishment	.759	.132	.466	5.767	.000
a. Dependent Variabel: Kinerja						

From the calculation results a constant value (β value) of -0.864 can be obtained and a standardized regression coefficient value for the reward variable (β_1 value) of 0.292; while punishment (β_2 value) is 0.466. So you can get a multiple linear regression equation model as follows:

$$Y = -0.864 + 0.292X_1 + 0.466X_2 + e$$

The multiple linear regression equation model has the following meaning The constant value (β) is -0.864. This states that if there is no value in the variable reward (X₁), punishment (X₂), then performance (Y) is -0.864. The regression coefficient value of the reward variable (β_1) is 0.292. This means that if the assessment of the reward variable increases by 1 unit, the assessment of the performance variable will also increase by 0.292 units. The reward variable has a positive value and direction of influence on performance. The regression coefficient value of the punishment variable (β_2) is 0.466. This means that if the assessment of the performance

variable increases by 1 unit, the assessment of the performance variable will also increase by 0.466 units. The punishment variable has a positive value and direction of influence on performance

4. CONCLUSION

In a company or organization, human resources are very important to have, in order to improve employee performance, it is necessary to provide punishment and rewards in stages. The rewards that employees experience are by giving them both material and non-material. Likewise, giving this punishment also makes employees feel more responsible and careful in their work, which ultimately results in good employee performance.

Based on the results of research that has been conducted regarding the effectiveness of giving rewards and punishment to employees, it is concluded that giving punishment and giving rewards has a direct positive effect. The effects of providing punishment and rewards have been implemented well by employees, it can be seen from the continued development of employee performance by being able to achieve targets that have been set each year through the effects of punishment and rewards given to employees

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