

Impact of Reward and Punishment on Performance Employees

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Abstract: The aim of this study is to determine if there is an impact of reward and punishment on the performance of employees at the Directorate General of Customs and Excise Type Madya Pabean B Makassar's supervision and service office. The data used in this study are primary data collected directly via the distribution of questionnaires. This study involved 44 employees of the Directorate General of Customs and Excise Type Madya Pabean B Makassar's Supervision and Service Office. Data analysis techniques using multiple linear regression techniques with the SPSS 24 package. The results indicated that the first suggested hypothesis was accepted because the hypothesis test revealed a positive but negligible result. The second hypothesis was accepted because it yielded positive and statistically valid hypothesis test results.

Keywords: Reward, Punishment, Performance, Employees

INTRODUCTION

The existence of a government agency cannot be separated from the elements of existing resources in an agency. Human resources, capital, and technology are essential factors in creating success. These sources must be mobilized effectively in order to achieve optimal results. In achieving this goal, it is necessary to have an effort that all parties support, both from the management and employees. In a government agency, there are various kinds of instruments to encourage the achievement of the agency's goals. The instruments in question are labor, technology, and capital. Among these instruments, there is one of the most important, namely labor or human resources, where human resources are the driving force for the development of an organization. In realizing optimal organizational goals, every organization should pay attention to problems related to employees. It shows how important the meaning of employees is to an organization.

The leadership's steps in improving employee performance can apply by implementing a reward and punishment system. According to Siagian, (2008) reward is a motivation for employees in doing their jobs. A good reward system can guarantee a lot of employee satisfaction. Therefore, providing various types of rewards for employees who excel and have high loyalty to the company. The form of reward is awards given to employees who excel and have served the company for a long time. Meanwhile, according to Purwanto (2006: 186), punishment is suffering someone after a crime or mistake has intentionally caused that. Meanwhile, according to Nurmiyati, (2011), punishment will be given if there is a violation of the applicable rules. Some opinions can distinguish the punishment into 2 kinds, namely preventive and repressive, which have been used to characterize educational tools. Then examples of orders, prohibitions, supervision, agreements, and threats are preventive, while rewards and punishments are repressive educational tools (Purwanto, 2007).

There has been a lot of empirical evidence about the effect of reward and punishment on performance, among others, reported by Agung Dwi Nugroho (2015) showing that simultaneously reward and punishment have a significant effect on employee performance. If a company or agency implements a reward and punishment system, it will improve the performance of employees or employees. In contrast to the research of Winda Sri Astuti et al., (2018) which shows that reward has a

significant negative effect on employee performance while punishment has a significant positive effect on employee performance at PT. BPR Hasamitra Makassar. It means that if people apply a reward system, it will not improve employee performance, while if people apply a punishment system, it will improve employee performance.

The existence of pre-study and variations from the results of previous studies are the motivation for this researcher with the title The effect of reward and punishment on employee performance at the Office of Supervision and Service of the Directorate General of Customs and Excise, Type B Makassar Customs.

LITERATURE REVIEW

Reward

Reward or award is an appreciation in the form of material or speech given for the success or achievement that has been achieved. According to Ramayulis, (2008) rewards are gifts given for good deeds/things that have been done. Kadarisman, (2012) explains that the reward indicators are wages, salaries, incentives, allowances, interpersonal rewards, and promotions.

Punishment

Punishment is a way to direct behavior to conform to generally accepted behavior. In this case, the punishment is given when unexpected behavior is displayed by the person concerned or the person concerned does not respond or does not display the expected behavior. According to Purwanto, (2006) the indicators of punishment are preventive punishment and repressive punishment.

Employee Performance

Performance is a result that an employee has achieved by the standards and criteria that have been set within a certain period. According to TR Mitchell (1978), Employee performance indicators and Sedarmayanti (2001) are accuracy, initiative, ability, work quality, and communication.

RESEARCH METHOD

The research approach used is the associative approach, which asks about the relationship between two or more variables (Sugiyono, 2013). The population of this research is all employees in the office of supervision and service of the Directorate General of Customs and Excise, type Madya Customs B Makassar all employee population as many as 110 people, the number of samples in this study can be taken 40% of the total population so that the number of samples for this study amounted to 44 permanent employees. The type of data used in this study is quantitative data, namely data in numbers or numbers. According to its form, quantitative data can be processed or analyzed using mathematical or statistical calculation techniques. Quantitative data serves to determine the number or magnitude of an object under study. Data was collected by distributing a questionnaire containing a draft statement that would be given a score for each answer such as (Strongly Agree = 5, Agree = 4, Disagree = 3, Disagree = 2, Strongly Disagree = 1). In this study, the data were analyzed by descriptive statistical analysis to describe the data in terms of mean, standard deviation, maximum, minimum, sum, range and to measure the distribution of data by skewness and kurtosis. Descriptive statistics describe data into information that is clearer and easier to understand (Ghozali, 2017).

RESULTS AND DISCUSSION

Normality test aims to detect that the model has a normal distribution can be done using Kolmogorov-Smirnov (KS) analysis. If the significant value of the Kolmogorov-Smirnov test > 0.05 means the data is usually distributed.

**Table 1. Normality test results
One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual	
	N		44
Normal Parameters ^{a,b}	Mean		.0000000
	Std. Deviation		22.95797021
Most Extreme Differences	Absolute		.130
	Positive		.130
	Negative		-.072
	Test Statistic		.130
	Asymp. Sig. (2-tailed)		.058 ^c

Based on table 1, the statistical test value is $0.130 > 0.05$, and the significance value is $0.58 > 0.05$. It can be concluded that the data in this study is normally distributed. Furthermore, a multicollinearity test was conducted to test whether the regression model correlated with the independent variables (Independent).

**Table 2. Multicollinearity Test Result
Coefficients^a**

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Reward	.403	2.482
	Punishment	.403	2.482

a. Dependent Variable: Employee Performance

A good regression model should not correlate with the independent variables (there is no multicollinearity). Based on table 2, the reward variable has a tolerance value of $0.403 > 0.10$ and a VIF value of $2.482 < 10.00$, while the punishment variable has a tolerance value of $0.403 > 0.10$ and a VIF value of $2.482 < 10.00$. So it can be concluded that the linear regression model does not occur multicollinearity. Furthermore, a heteroscedasticity test was carried out through a Scatterplot to detect the presence or absence of heteroscedasticity by looking at the graph plot between the predicted value of the dependent variable, namely ZPRED and the residual SRESID.

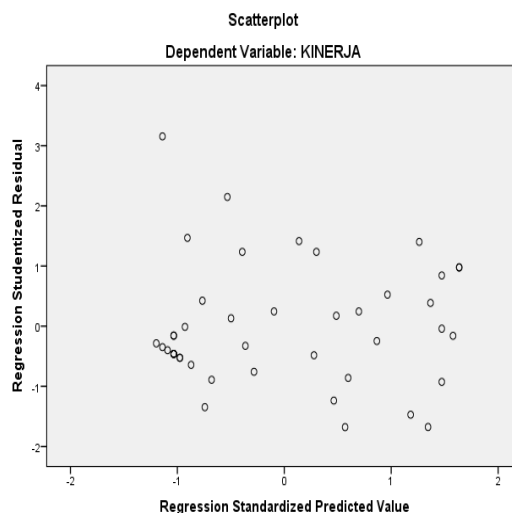


Figure 1. Heteroscedasticity Test Results

The descriptive test will explain the variables in this study, including the independent variables of reward and punishment and the dependent variable, namely employee performance. The researcher will process the data obtained from the survey results and the distribution of online questionnaires at the DGCE office type B, Makassar Customs.

Table 3. Descriptive Statistical Results

	Mean	Std. Deviation	N
Performance	436.7273	34.13541	44
Reward	436.2273	39.30256	44
Punishment	440.1364	39.72732	44

Based on the results of the descriptive statistical analysis in table 3, it can be explained that the reward in this study shows a mean value of 436.2273 and a standard deviation value of 39.30256. These results explain the mean value > from the standard deviation value, so it can be concluded that the level of the reward variable in this study is good to use. as data representation. Punishment in this study shows the mean value is 440,1364, and the standard deviation value is 39,72732. These results explain the mean value > from the standard deviation value, so it can be concluded that the level of punishment variable in this study is suitable for data representation. The performance in this study shows that the mean value is 436,7273, and the standard deviation value is 34.13541. From these results, it explains the mean value > from the standard deviation value so that it can be concluded that the level of employee performance variables in this study is used as a data representation.

The use of multiple linear regression analysis determines the effect of reward and punishment on employee performance.

**Table 4. Multiple Linear Regression Results
Coefficients^a**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	140.831	42.379		3.323	.002
	Reward	.242	.144	.278	1.682	.100
	Punishment	.433	.142	.503	3.042	.004

Based on the results in table 4, the following formulation can be formulated:

$$Y = 140.831 + 0.242X_1 + 0.433X_2$$

The regression equation results indicate the direction of the independent variable (independent), namely reward and punishment, on the dependent variable (dependent), namely performance. In the regression equation, it can be explained that the constant value (a=140.831) says that the performance value will remain constant at 140,831 if the reward and punishment value shows 0. The X1 coefficient is worth (0.242), meaning that reward has a positive effect on employee performance by 0.242, meaning that If rewards are applied, it can result in better employee performance. The X2 coefficient of value (0.433) means that punishment has a positive effect on the performance of 0.433. If punishment is still applied, it will maintain employee performance for the better and vice versa.

The results of the F-test statistical calculation in table 5 show the F-count value of 24,821. After that, it is compared with the F-table value of 22663,941 with a significance (0.05). So it can be concluded that F-count > F-table (24,821 > 22663,941 with a significant 0.000 < 0.05), meaning that the independent variables reward and punishment simultaneously have a significant effect on performance. The decision-making data in this F test is F-count > F-table = 3.225684, which is obtained from the FINV formula in excel, then the model is accepted.

**Table 5. F-Test Results
ANOVA^a**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	27440.786	2	13720.393	24.821	.000 ^b
	Residual	22663.941	41	552.779		
	Total	50104.727	43			

Subsequently, a partial test was carried out to make decisions in this test, namely $T\text{-count} > T\text{-table} = 2.019541$, which was obtained from the TINV formula in excel, and $\text{sig} > 0.05$ H_0 was rejected, and H_a was accepted, then the hypothesis was accepted.

Table 6. T-Test Results Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	140.831	42.379		3.323	.002
	Reward	.242	.144	.278	1.682	.100
	Punishment	.433	.142	.503	3.042	.004

In table 6, the reward variable shows a T-count of 1.682 while the T-table value = 2.019541, then $T\text{-count} < T\text{-table}$ and the significance value is $0.100 > 0.05$, it can be concluded that the reward (X1) does not exist significant effect on performance (Y). As for the punishment variable, the T-count value = 3.042 and the T-table value = 2.019541, then the T-count value $> T\text{-table}$ and the significance value is $0.004 < 0.05$, meaning that the punishment variable (X2) has a positive and significant effect on employee performance.

The next step is to test the coefficient of determination. This function determines the percentage of the effect of reward/award and punishment/punishment on employee performance.

Table 7. Correlation Test Results Correlations

		Performance	Reward	Punishment
Pearson Correlation	Performance	1.000	.668	.719
	Reward	.668	1.000	.773
	Punishment	.719	.773	1.000
Sig. (1-tailed)	Performance	.	.000	.000
	Reward	.000	.	.000
	Punishment	.000	.000	.
N	Performance	44	44	44
	Reward	44	44	44
	Punishment	44	44	44

Based on table 7, it can be concluded that the dominant influence obtained from the Pearson correlation value with the Standardized Coefficients value, which can be explained below, is as follows:

X1's contribution is $18.57\% = 0.668 \times 0.278$

X2's contribution is $36.16\% = 0.719 \times 0.503$

Based on this explanation, the dominant influence of the punishment variable (X2) is 36.16% greater than the reward variable (X1), which is 18.57%. It can be concluded that the punishment variable has a more dominant effect on employee performance. Testing the coefficient of determination based on the contribution value of 18.57% of the variable (X1) and 36.16% of the variable (X2) with a total of 54.73% for all the contributions of the independent variables studied to the dependent variable. The influence of the independent variable (Independent), namely reward and punishment, on the dependent variable (Dependent), namely the performance of 54.73%, while the remaining 45.27% is influenced by other factors not explained in this study.

Table 8. Determination Test Results (R^2) Model Summary^b

Model	R	R Square	Adjusted R Square
1	.740 ^a	.548	.526

Discussion

The effect of rewards on employee performance

Based on the analysis results, it can be concluded that the reward variable has a partial effect on employee performance. T-test analysis for the reward variable, the t-count value is 1.682. Meanwhile the t-table value is 2.019541, so $t\text{-count} < t\text{ table}$ and the significance value is $0.100 > 0.05$, so individual rewards have no positive and insignificant effect on employee performance. The results of this analysis accept the hypothesis (H1) that the reward has a partial effect on employee performance.

The effect of punishment on employee performance.

Based on the analysis of the punishment variable (X2), it has a partial effect on employee performance (Y). In the t-test analysis for the compensation variable, the t-count value is 3.042, while the t-table value is 2.019541. The $t\text{-count} > t\text{-table}$ and the significance value are $0.004 < 0.05$, meaning that individual punishment significantly affects employee performance. From this analysis, accept the hypothesis (H2) that the reward partially affects performance.

Simultaneous effect of reward and punishment on performance

Based on the results of the analysis, the variable reward and punishment have a simultaneous effect on performance. The reward consists of several indicators, namely wages, salaries, incentives, allowances, interpersonal rewards, promotions. Moreover, punishment consists of preventive punishment and repressive punishment. The results of the statistical calculation of the F test show the F-count value of 43,816. After that, it is compared with the F-table value of 11858,277 with a significance of 5% (0.05). So it can be concluded that $F\text{-count} > F\text{ Table}$ ($24,821 > 22663,941$ with sig $0.000 < 0.05$). All independent variables influence a positive direction, and the largest contribution comes from punishment. The results of this analysis accept the hypothesis (H3) that reward and punishment have a simultaneous positive effect on employee performance.

CONCLUSIONS AND SUGGESTIONS

From the regression test results that have been carried out on the first hypothesis, it can be concluded that the reward has a positive but not significant effect on employee performance. It means that the promised rewards or rewards are sufficient to guarantee high employee performance. Testing the second hypothesis has concluded that punishment has a positive and significant effect on employee performance. It means that employees will be more thorough or active in doing work at the agency with punishment or sanctions. Therefore, the punishment variable is very influential on the level of performance of an employee. The results of testing the third hypothesis have concluded that reward and punishment simultaneously affect employee performance. It means that the better the rewards and punishments are given, the better the employee's performance.

The results of this study suggest that a review of the awarding of rewards that have long been applied to the office of supervision and service of Madya Customs b Makassar should be carried out so that they can function optimally and continue to update the system of applying punishment (sanctions) so that employees can continue to work optimally so that performance is maintained. It is recommended for future researchers to develop this research by involving variables and indicators that have not been included in this study.

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