

THE INFLUENCE OF REWARDS AND PUNISHMENT ON EMPLOYEE PERFORMANCE AT PT. PLN ULP PALOPO CITY

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Abstract: This study aims to determine and analyze the effect of reward and punishment on employee performance at PT PLN ULP Palopo. The type of research conducted is ex-post-facto research with a quantitative approach. The population in this study consisted of 30 employees at PT. PLN ULP Palopo. The use of total sampling techniques was chosen and the entire population was taken as a sample. The types of data used come from primary data and secondary data. Data collection was carried out by observation, interviews, and questionnaires. Data analysis used multiple linear regression analysis techniques. The results of the study indicate that simultaneously reward and punishment have a significant effect on employee performance at PT. PLN ULP Palopo. This is shown in the results of the F-test, namely a significance value of 0,014 which is less than 0,05. As for partially, reward does not have a significant effect on employee performance at PT PLN ULP Palopo. This is shown in the results of the T-test, namely a significance value of 0,219 which is greater than 0,05. Punishment also does not have a significant effect on employee performance at PT PLN ULP Palopo. This is shown in the results of the T-test, namely a significance value of 0,432 which is greater than 0,05. Reward and punishment variables can explain 27% of their influence on employee performance at PT. PLN ULP Palopo, the remaining 73% is influenced by other variables outside the model.

Keywords: Employee Performance; Punishment; Reward

INTRODUCTION

Human resources are one of the most important aspects that must be managed by an organization in order to provide maximum contribution in achieving the goals of an organization. In the increasingly developing business world, the level of competition in the business sector is also increasing, one of which is in the industrial sector. Companies are required to be able to achieve the expected targets by improving the quality of employee performance. Given the importance of human resources which include the role, management, and utilization of employees, it is necessary to spur employee enthusiasm. Human resources are a component that a company must have, because human resources reflect the quality of a company (Peryuda, 2023) (Ananda, 2019). If employee performance is good, the company will also get very large dividends (Nuriksani, 2022). The expectation of professionalism from employees cannot be separated from how a company is able to manage and provide rewards and punishments for employee performance. To improve effective performance, organizational agencies can pay attention to the most important thing, namely meeting the needs of their employees. In achieving company goals, human resources are needed with quality performance. The quality of this performance must always be maintained and improved. Performance is the result achieved by a person (employee) in carrying out tasks and responsibilities according to the standards set by

each company or organization (Erwina, 2023) (Lie, 2018). One way to improve employee performance is by implementing rewards and punishments.

Rewards are positive consequences given to individuals or groups with the aim of developing, supporting, and maintaining expected behavior (Putri, 2018) (Sidin, 2020). Rewards have a positive effect on employee performance (Pramesti, 2019) (Gunawan, 2023). If the reward system is fairer, namely with salaries and bonuses, welfare, and career development, employee performance will increase, marked by the ability to carry out their work with quality, punctuality, effectiveness and efficiency (Nathaniel, 2023) (Ferlia, 2022).

Punishment is an action taken to correct unwanted behavior in a short time and is carried out wisely (Waqiah, 2021) (Lestari, 2023). Punishment is a way to reprimand employees in the form of sanctions or punishments so that employees do not violate existing regulations in the company (Pratama, 2022). Punishment has a more assertive effect and there is an element of prevention against violating behavior (Fikri, 2021). The provision of punishment has a positive effect on employee performance (Adityarini, 2022) (Samijatun, 2021) (Fajar, 2018). If the implementation of punishment is increased and emphasized to employees, either in the form of severe, moderate, and light punishments, it will improve employee performance in a company.

Several studies related to this topic have been conducted by other researchers. Purnomo (2021) studied the effect of rewards and punishments on employee performance at PT. PLN UP3 Bogor. In a different location, Ronisa (2024) studied the effect of rewards and punishments on employee performance at PT. PLN Central Java Transmission Unit. Both studies showed a significant effect of the application of rewards and punishments on employee performance, both simultaneously and partially. These results contradict the research conducted by Tahupiah (2019) which showed no significant effect of reward and punishment variables on employee performance at PT. PLN (Persero) Manado Area. The study conducted by the researcher was located at PT. PLN ULP Palopo City, located at Jalan Veteran, Tomarundung Village, Wara Barat District, Palopo City, South Sulawesi Province. The company is one of the companies working in the field of electrical installations. The company runs an electricity business and other fields that are oriented towards customer satisfaction, company members, and shareholders. PLN ULP Kota Palopo uses electricity as a medium to improve the quality of people's lives by trying to make electricity a driver of economic activities. In relation to this, the purpose of this study is to determine the effect of rewards and punishments on employee performance at PT. PLN ULP Kota Palopo. The research framework is shown in Figure 1.

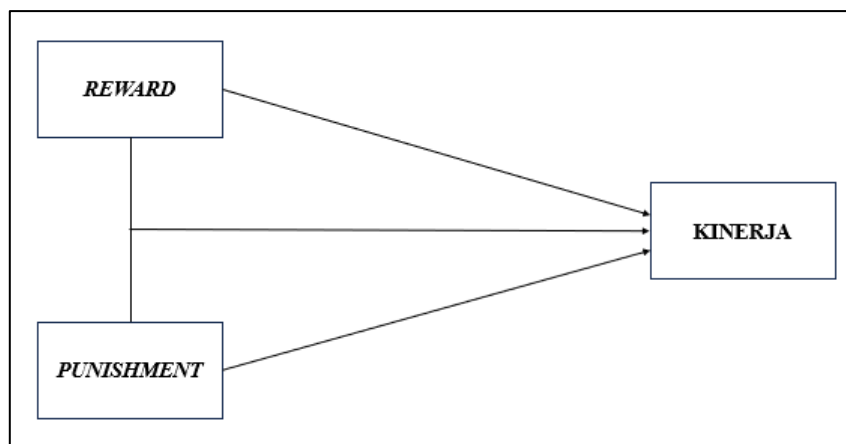


Figure 1. Research Framework

METHOD

This research is an *expost facto* research with a quantitative approach. *Expost facto* research is a research that reveals the condition of the research object as it is without giving any particular treatment. The population in this study consisted of 30 employees at PT. PLN ULP Palopo City. The sampling technique used was saturated sampling. According to Sugiyono, the saturated sampling technique is a sampling technique where all members of the population are used as samples (Fitria, 2018). Data collection was carried out by means of observation, interviews, and questionnaires. There were three questionnaires given to respondents to reveal respondents' perceptions regarding rewards, punishments, and employee performance. The results of filling out the questionnaire were processed quantitatively and analyzed using multiple linear regression analysis techniques. Through this technique, the influence of reward and punishment variables on performance variables can be identified, both simultaneously and partially, as well as the direction of the relationship between these variables. In this study, rewards are a form of appreciation given by the company to get professional employees, punishment is a sanction given by the company for violations committed by employees, while performance is the work results in terms of quality and quantity achieved by employees in carrying out their duties in accordance with the responsibilities given.

RESEARCH RESULT

The purpose of this study is to determine the effect of reward and punishment on employee performance at PT. PLN ULP Kota Palopo. Based on Table 1, the respondents of the study were dominated by men with an age range of 31-40 years and the last level of education was S1.

Table 1. Characteristics of Respondents

Variable		Frequent	Percentage
Gender	Male	24	80%
	Female	6	20%
	Total	30	100%
Age	20-30 Years Old	6	20%
	31-40 Years Old	24	80%
	Total	30	100%
Education	SMA	2	6,7%
	D3	1	3,3%
	S1	27	90%
	Total	30	100%

Source: Processed Data (2024)

Next, the researcher conducted validity and reliability testing on the questionnaire that had been developed. Based on the results of the validity test, it was found that there was 1 invalid motivation questionnaire item so that it could not be included in the research instrument. As for the results of the reliability test, the three questionnaires were declared reliable. The results of the test are shown in Table 2 and Table 3.

Table 2. Validity Test

Code	R	P	K	Results
R1	0,913			Valid
R2	0,891			Valid
R3	0,669			Valid
R4	0,659			Valid
P1		0,898		Valid
P2		0,849		Valid
P3		0,896		Valid
P4		0,940		Valid
P5		0,715		Valid
K1			0,711	Valid
K2			0,778	Valid
K3			0,684	Valid
K4			0,886	Valid
K5			0,804	Valid

Source: Processed Data (2024)

Table 3. Reliability Test

Variabel	Cronbach Alpha	Results
Reward	0,784	Reliable
Punishment	0,905	Reliable
Performance	0,828	Reliable

Source: Processed Data (2024)

After that, the F test and T test were conducted. The F test was used to determine the effect of independent variables (reward and punishment) simultaneously on the dependent variable (performance). The T test was used to determine the effect of each independent variable partially on the dependent variable. The test results are shown in Table 4 and Table 5.

Tabel 4. F test Results

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regresion	40.264	2	20.132	5.001	.014 ^b
Residual	108.702	27	4.026		
Total	148.967	29			

Source: Processed Data (2024)

Based on Table 4, the significance value is 0.014 < 0.05. This shows that the reward and punishment variables have a significant effect on employee performance at PT. PLN ULP Kota Palopo.

Table 5 t Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		

1	11.475	3.108		3.629	.001
(Constant)	.413	.328	.336	1.259	.219
Reward	.153	.191	.213	.798	.432
Punishment					

Source: Processed Data (2024)

Based on Table 5, the significance value for the reward variable is $0.219 > 0.05$ and the significance value for the punishment variable is $0.432 > 0.05$. This shows that the reward variable does not have a significant effect on employee performance at PT. PLN ULP Kota Palopo, while the punishment variable does not have a significant effect on employee performance at PT. PLN ULP Kota Palopo. In this study, the multiple linear regression equation can be written as follows:

$$Y = 11,475 + 0,413X_1 + 0,153X_2$$

1. The multiple linear regression equation can be described as follows:
2. 1. The resulting constant value is 11.475. This means that if the reward and punishment variables are 0, then the performance variable is 11.475.
3. 2. The reward regression coefficient value is positive (+) at 0.413. This means that if the reward variable increases by 1 unit, the performance variable increases by 0.413 units.
4. 3. The punishment regression coefficient value is positive (+) at 0.153. This means that if the punishment variable increases by 1 unit, the performance variable increases by 0.153 units.

Table 6. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.520	.270	.216	2.00649

Source: Processed Data (2024)

Based on Table 6, the calculation results show a determination coefficient of 0.270 or 27%. This means that the reward and punishment variables can explain 27% of their influence on employee performance at PT. PLN ULP Kota Palopo, the remaining 73% is influenced by other variables outside the model.

DISCUSSION

The results of the study indicate that rewards do not have a significant effect on employee performance. This means that the reward program carried out at PT. PLN ULP Kota Palopo has so far not been effective in improving employee performance. The implementation of rewards is still not optimal and needs to be improved. The results of this study are in line with Aini's (2020) research that rewards do not have a significant effect on employee performance. This can be caused by the provision of rewards that are not in accordance with the perceptions and needs expected by employees. The company needs to identify the form of reward that can be implemented by considering employee opinions, so that the implementation of rewards can make a positive contribution to improving employee performance. In addition, rewards that do not have a significant effect on employee performance can also be caused by a lack of leadership motivation for employees. In addition to rewards, company leaders need to provide verbal support and motivation to employees so that they can improve their performance. It is also important for companies to provide rewards for employee performance that are in accordance

with the capacity and potential of employees. This is so that individual frustration does not occur, namely a condition where employees know that there is a reward after completing a certain task, but employees feel unable to do it because it is not in accordance with their capacity and potential. The results of the study also showed that punishment did not have a significant effect on performance. This means that the imposition of punishment (sanctions) on employees who commit certain violations committed at PT. PLN ULP Kota Palopo has not been effective in improving employee performance. The strict regulations imposed in the company can encourage employees to be disciplined in carrying out their duties. The results of this study are in line with the research of Tahupiah (2019) which states that punishment does not have a significant effect on employee performance. This can be caused by the implementation of very strict punishment so that some employees who are still not used to the system actually feel pressured so that it has a negative impact on employee performance. The provision of punishment that is quick and inappropriate to employees is also considered unable to make employees aware of the mistakes they make. In this study, the implementation of rewards and punishments simultaneously (together) has a significant effect on employee performance at PT. PLN ULP Kota Palopo. The company shows a fair attitude to employees because it not only provides sanctions/punishments for violations committed by employees, but also provides awards for achievements achieved by employees in working. This can encourage employee loyalty to the company so that it can have a positive impact on employee performance. The existence of rewards and punishments applied in the company can also be a motivation for employees to improve their performance so that they are able to obtain rewards, and strive to be professional in their work to avoid mistakes and violations that can be subject to punishment from the company.

CONCLUSION

Based on the results of the research and discussion, the researcher concluded that rewards and punishments simultaneously have a significant effect on employee performance at PT. PLN ULP Kota Palopo. Partially, rewards do not have a significant effect on employee performance at PT. PLN ULP Kota Palopo, while punishment does not have a significant effect on employee performance at PT. PLN ULP Kota Palopo.

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