

THE IMPACT OF REWARDS AND PUNISHMENTS ON EMPLOYEE PERFORMANCE: THE MEDIATING ROLE OF WORK MOTIVATION

Suarni Norawati¹, Rifa Zahera², Zamhir Basem³

Sekolah Tinggi Ilmu Ekonomi Bangkinang

Email: suarninorawati@pascabangkinang.ac.id

Abstract

Employee performance is a requirement for every company, including employees at PT RIM Syam Gold Bangkinang. The important thing to note is the factors that influence employee performance. This study aims to determine and analyze the effect of rewards and punishment on employee work motivation, as well as the direct impact of rewards, motivation, and punishment on employee performance, and also the effect through employee work motivation as a mediator. Data was obtained using questionnaires with a total of 43 respondents. The data analysis uses the Structural Equation Model (SEM) and SmartPLS. The results reveal the rewards and punishments proven to have a positive and significant effect on employee work motivation. The main findings show that reward and punishment have an indirect significant effect on employee performance through employee work motivation. that employee work motivation can mediate the influence of punishment on employee performance. This study gives evidence that the implementation of appropriate punishment can increase employee work motivation, and employees who are well motivated will be able to work optimally, therefore that the results of the employee's work or performance can be maximized.

Keywords: Reward; Punishment; Work Motivation: Employee Performance

1. INTRODUCTION

The increasing development of the business world has also driven the level of competition in the business sector, including in the precious metal goods sales sector or gold shops. Human Resources (HR) is the main factor in determining the progress or decline of a company (Kentjana & Nainggolan, 2018). Given the importance of HR, it is fitting that the company's management meets the criteria by implementing the right HR management concepts and techniques, one of which is through rewards and punishments. According to Nawawi (2015), rewards are efforts to foster feelings of being accepted (recognized) in a work environment that touches on aspects of compensation and aspects of relationships between workers. The company's hope of having professional, competitive employees who have good performance cannot be separated from the strategy built by the company in managing rewards for its employees. While punishment is an action that is imposed on someone consciously and intentionally so that it causes misery, and with that misery, the person concerned will become aware of his actions and promise in his heart not to repeat them (Sutrisno, 2019).

The provision of appropriate rewards and punishments will have an impact on employee performance. Employee performance is the result of the quality of work completed by an employee in carrying out his/her obligations. Strong employee performance tends to translate into good company performance (Prawirosentono, 2012). Reward and punishment are two opposite words; however, the two are interrelated, both of which encourage employees to improve their work quality. Rewards and punishments are closely

related to providing employee motivation. Managing and organizing employees is a demand and challenge in itself in a company in order to produce professional employees who have high performance for the company (Kasmir and Jakfar, 2010).

This research was conducted at PT. RIM Syam Gold located on Jln Sisingamangaraja, Bangkinang, Bangkinang District, Kampar Regency. This company is engaged in the trade sector that sells various types of gold jewelry such as gold earrings, necklaces, bracelets, rings, wedding rings, engagement rings and couple gold jewelry. This company also serves custom jewelry making services. The available gold starts from 24 carats, 23 carats and 22 carats. The price offered for 1 gram of gold and its multiples is adjusted to today's gold price. In carrying out its activities, this company has employed 43 employees. Employees are placed in several sections, there is in the production section (jewelry making) and there is in the office section and there is in the sales section. Similar to other companies, the management at PT. RIM Syam Gold Bangkinang also demands high performance from each employee, so that the company's targets and goals can be realized.

Based on the results of interviews conducted with several employees, especially employees in the jewelry making division, according to employees they are always given targets to be able to complete consumer orders based on the time standards that have been set. However, in the realization of the work, there are still some employees who cannot complete consumer orders within the time that has been promised previously. The inaccuracy in completing consumer orders is generally due to the level of difficulty or model of jewelry requested by consumers. This condition indicates that the performance of employees in the production division is still not optimal. Meanwhile, the results of interviews during the pre-survey in the product sales service division related to the obstacles faced by employees revealed that there were several employees who were unable to convince consumers regarding the jewelry being sold. Starting from the gold content, to the size, model and so on. This indicates that some employees still have low knowledge about the products sold or marketed by the company. The impact of this is that the achievement of the company's sales target is not achieved.

Another phenomenon obtained during the pre-survey is generally known that employees said they have not received rewards in the form of job promotions, salary increases, and other rewards. New employees receive rewards in the form of bonuses, which are still relatively low. With this condition, it is indicated that the reward program implemented by the leadership has not been able to provide good work motivation to employees, so that work results are still not optimal. Furthermore, it is also known that the leadership of this company has implemented a punishment system for employees who make mistakes in carrying out their duties. Starting from minor violations, management will give a verbal warning up to the first warning letter. For violations in the moderate category, the leadership gives a second warning letter and likewise for employees who commit serious violations, the sanctions or punishments applied are issuing a third warning letter up to dismissal.

Based on the results of interviews with employees, both production and sales employees said that some of them had received new punishments in the form of verbal warnings and only 1 employee in the last three years received punishment in the form of dismissal. However, another phenomenon was found that the implementation of punishment according to employees was not yet fair, meaning that the leadership still gave its consideration to certain employees. This condition causes social jealousy among employees, which will have an impact on maximum employee performance.

Discussions related to the influence of reward and punishment variables on motivation and their impact on employee performance have been conducted by previous researchers. Among them is a study conducted by Natasya and Piter (2018), where the results of the

study concluded that rewards have an insignificant effect on employee performance, while punishment has a significant effect on employee performance. In addition, rewards do not have a significant effect on motivation, but punishment has a significant effect on motivation. The conclusion of mediation shows that motivation is able to mediate punishment on employee performance, but motivation does not mediate rewards on employee performance. The results are different from the study conducted by Febrianti et al. (2014), which concluded that partial rewards have a significant effect on employee work motivation. While partial punishment has an insignificant effect on employee work motivation. Partially rewards, rewards, and employee work motivation have a significant effect on employee performance. Based on the mixed results above, this study is intended to indirect effect of rewards and punishment on employee performance through employee work motivation as a mediator.

2. LITERATURE REVIEW

Performance is the result of work that can be achieved by a person or group of people in an organization, in accordance with their respective authorities and responsibilities, in order to achieve the goals of the organization concerned legally, without violating the law and in accordance with morals and ethics, (Sutrisno, 2019). An organization, both government organizations and private organizations in achieving the goals set must go through means in the form of an organization driven by a group of people who play an active role as actors in an effort to achieve the goals of the institution or organization concerned (Prawirosentono, 2012). Performance is an achievement of certain job requirements which can ultimately be reflected in the output produced. Performance is one of the measuring tools for achieving organizational goals. Factors that influence performance are individual factors, psychological variables, and organizational variables. Individual variables include abilities and skills both physical and mental, background such as family, social level, and experience; demographics include age, origin, and gender. Psychological variables include perception, attitude, personality, learning, and motivation.

Work Motivation and Employee Performance

According to Robbins & Coulter (2018) motivation is the willingness to carry out high efforts to achieve organizational goals that are conditioned by the ability of efforts to meet certain individual needs. The needs and desires of a person are different from the needs and desires of other people. The difference in a person's needs and desires occurs because of the mental process that occurs within that person. The mental process is the formation of perception in the person concerned, and the process of forming self-perception is essentially a person's learning process of everything they see and experience from the environment around them. According to Swaminathan (2015) said that a person's work motivation is influenced by 2 factors, Internal factors, namely a person's motivation is influenced by within a person, this will be related to aspects or strengths that exist within a person to achieve a goal, for example, the aspect of self-efficacy. External factors, namely factors that come from outside the individual, such as promotion factors, awards, salaries, work conditions, company policies, and work that contains responsibility. Mangkunegara (2017) describes motivation theories as follows: Mc Clelland's Theory. Theory of Need for Achievement, known as the theory of the need to achieve achievement or Need for Achievement (N.Ach), which states that motivation varies according to a person's need for achievement. ERG Theory (Existence, Relatedness, Growth), from Alderfer, the ERG theory is a reflection of three basic needs: 1) Existence needs. These needs relate to the physical existence of employees, such as food, drink, clothing, salary, security of working conditions,

and facilities provided by the office. 2) Relatedness needs. Interpersonal needs, satisfaction in the work environment. 3) Growth needs. Zebua & Oktafiani (2024) conducted research that consistently shows that work motivation has a significant positive effect on employee performance and that work motivation has a stronger impact on employee performance than compensation, highlighting motivation's critical role in enhancing productivity. Another study, Irawati et al. (2021). Using multiple regression analysis confirmed that work motivation positively and significantly influences employee performance alongside compensation and work environment

Reward and Employee Performance

Rewards can be something tangible or intangible that exists in the organization and is given to employees either intentionally or unintentionally as a reward for employee potential or contribution to good work, and for employees who apply positive values as a satisfaction of certain needs (Shields, 2016). According to Wiyani (2013) rewards are souvenirs, awards, and respect. Gifts can also mean rewards, which are interpreted as efforts to provide something pleasant (awards) for students who excel both in learning and in behavior. Fahmi (2016) rewards, or often referred to as compensation, are a form of remuneration given to an employee for the work achievements carried out.

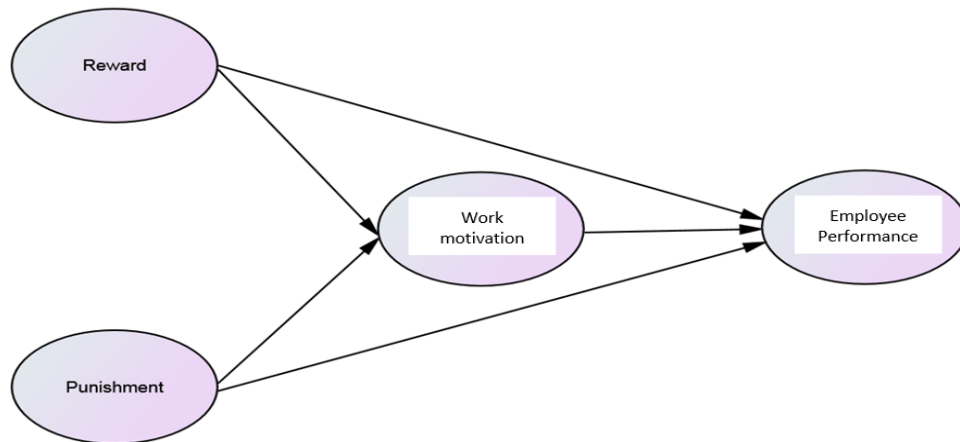
Rewards are divided into two types, namely Extrinsic Rewards and Intrinsic Rewards. Extrinsic rewards are rewards that come from outside the person (Saputra, 2017). Extrinsic rewards are rewards that come from outside the person. Extrinsic rewards consist of financial rewards, namely salary, allowances, bonuses/incentives, and non-financial rewards, namely interpersonal rewards and promotions. Intrinsic rewards are rewards that are regulated by oneself, which consist of completion, achievement, and autonomy. A study at a manufacturing company found rewards significantly improve employee morale and work performance, with statistical tests confirming a strong positive effect of rewards on motivation and performance. Another case study in a private school concluded there is a positive relationship between both extrinsic and intrinsic rewards and job performance, highlighting that organizations use reward systems to boost performance and job satisfaction (Ibrar & Khan, 2020). There are four factors that must be used as a basis for considering reward policies according to Winda et al. (2018): a) Internal consistency is the determination of the award (reward) based on the comparison of types of work within the company, b) External competence is the determination of the amount of the award at a level where the company still has a competitive advantage over other companies so that the company can retain employees who have advantages/qualities to continue working in the company. c) Employee contribution is the determination of the amount of the award that refers to the contribution that employees have given to the company, d) Administration is the fourth factor that is used as a consideration by the company in determining the award policy, including aspects of planning, available budget, communication and evaluation. Based on the description above, it can be seen that the reward indicator is a way to find out how far employees have a work discipline attitude and can be measured by referring to the indicators according to the experts above. It can also be concluded by the researcher taking the reward indicator according to Siagian (2015) because this indicator is the most appropriate for PT. RIM Syam Gold.

Punishment and Employee Performance

According to Ivancevich (2016), punishment is defined as the act of presenting unpleasant or undesirable consequences as a result of certain behavior. According to Ngalim (2014) explains that punishment is suffering that is given or caused intentionally by

someone (parents, teachers, and so on) after a violation, crime, or mistake occurs. According to Mangkunegara (2017) explains that punishment/sanction is a threat of punishment that aims to improve the performance of violating employees, maintain applicable regulations and provide lessons to violators. According to Yasir Musa (2017) is physical punishment, punishment with unpleasant words or sentences and punishment with unpleasant physical stimuli. According to Ngali (2016), the indicators of punishment are Preventive Punishment. This punishment is intended to prevent violations from occurring so that it is carried out before the violation is committed. Repressive Punishment, punishment carried out because of a violation, by an activity or activity that has been done. Therefore, this punishment is carried out after a violation or error has occurred. Based on the description above, it can be seen that the punishment indicator is a way to find out how far employees have a disciplined attitude that can be measured by referring to the indicators according to the experts above. It can also be concluded by the researcher taking the punishment indicator according to Ngali (2013) because this indicator is the most appropriate for PT. RIM Syam Gold, with the indicators of punishment, Notification of errors and Reprimand, and Warning for errors. Several studies indicate that punishment can have a positive and significant effect on employee performance when applied appropriately (Mawarinda, et al., 2024). Further, a study employing structural equation modeling showed that punishment has a direct positive effect on employee performance, even stronger than rewards in some contexts, indicating that well-implemented punishment policies can motivate employees to improve their performance (Rizky, et al., 2021). Based on the description above, this research model can be seen in Figure 1

Figure 1: Research Model



The hypothesis in this study is as follows:

- H1: It is suspected that rewards have a significant effect on employee work motivation*
- H2: It is suspected that punishment has a significant effect on employee work motivation*
- H3: It is suspected that rewards have a significant direct effect on employee performance*
- H4: It is suspected that punishment has a significant direct effect on employee performance*
- H5: It is suspected that work motivation has a significant effect on employee performance*
- H6: It is suspected that rewards have an indirect effect on employee performance through work motivation*
- H7: It is suspected that punishment has an indirect effect on employee performance through motivation*

3. RESEARCH METHODS

The approach of this research is a quantitative approach. This research was conducted

at PT. RIM Syam Gold which is located on Jalan Sisingamangaraja, Bangkinang, Bangkinang District, Kampar Regency. This research will be carried out for 6 (six) months, which will start in April 2024 and will end in September 2024.

This study uses primary data and secondary data, obtained through interviews, questionnaires, observations, and documentation. The population used in this study was all employees of PT. RIM Syam Gold Bangkinang, with a total of 43 employees all was used as a sample, so that the sampling technique was carried out using the census method. Because this study is quantitative, the data analysis technique uses statistics (Sugiyono, 2017). Two types of statistics are used in the analysis of research data, namely descriptive statistical analysis and inferential statistics.

Variables and Indicators Variables

This study aims to analyze the influence of the variables that have been formulated, namely the reward variable (X1) and the punishment variable (X2), on the employee work motivation variable (Z) and the employee performance variable (Y). Variables and the definition with indicators of each variable can be seen in Table 1 below:

Table 1. Operational Definition of Research Variables

No	Variables	Definition	Indicator	Scale
1	Employee Performance (Y)	Performance is the work results that can be achieved by a person or group of people in an organization, in accordance with their respective authorities and responsibilities, in order to achieve the goals of the organization concerned legally, without violating the law and in accordance with morals and ethics (Sutrisno, 2019)	1. Quality. 2. Quantity. 3. Timeliness. 4. Cost Effectiveness 5. Need for supervision. 6. Interpersonal impact	Ordinal
2	Work Motivation (Z)	Motivation is a factor that drives someone to carry out a certain activity; therefore motivation is often interpreted as a factor that drives a person's behavior (Sutrisno, 2019)	1. Responsibility 2. Job performance. 3. Opportunity for advancement. 4. Recognition for performance. 5. Challenging work	Ordinal
3	Reward (X ₁)	Rewards or also called compensation, are a form of reward given to an employee for the work performance they have done (Fahmi, 2016)	1. Financial rewards (Salary, Employee benefits, Bonus/incentives) 2. Non-financial rewards (Interpersonal rewards, Promotion) 3. Intrinsic rewards	Ordinal

4	<i>Punishment</i> (X ₂)	Punishment/sanctions are threats of punishment that aim to improve the performance of violating employees, maintain applicable regulations and provide lessons to violators (Mangkunegara, 2017)	(Completion, Achievement, Autonomy)	Ordinal
			1. Preventive Punishment (regulations, recommendations and orders, prohibitions, coercion, discipline) 2. Repressive Punishment (notification, reprimand, warning, punishment)	

Descriptive statistics are statistics that describe or depict data as it is, without intending to make conclusions that apply to the public/generalization (Sugiyono, 2017). While inferential statistics are statistical techniques used to analyze sample data, and the results are applied to the population (Sugiyono, 2017). Furthermore, this study will conduct hypothesis testing on each variable that has been stated in the previous chapter. The data analysis technique for this study uses the Structural Equation Modeling (SEM) method using SmartPLS 3.00 software. There are two SEM methods that are generally known, namely, Covariance-Based-SEM (CB-SEM) and Partial Least Squares Path Modeling (PLS-SEM). After the theory or theoretical model is developed and described in a flowchart, researchers can begin to convert the model specifications into a series of structural equations as follows:

$$Z = \beta_1 X_1 + \beta_2 X_2 + e_1$$

$$Y = \beta_3 X_1 + \beta_4 X_2 + \beta_5 Z + e_2$$

Description:

Z = Work Motivation;

Y= Employee Performance;

X₁= Reward;

X₂=Punishment

β₁- β₅ = Regression Coefficient

4. RESULTS AND DISCUSSION

Before analyzing the results of the hypothesis testing, a descriptive statistical analysis was first carried out on the respondents' responses to the statements for each variable, and the results obtained are as in Table 2

Table 2. Respondents' Response Results For Each Variable

Variables	Number of Statements	Average Response	Criteria
Employee Performance	12	3,67	Good
Work Motivation	10	3,62	Good
Reward	9	3,56	Good
Punishment	6	3,65	Good

Source: Data Processing Results

The respondents' responses to the twelve statements about employee performance

assessment at PT RIM Syam Gold Bangkinang, an average score of 3.61 was obtained with the criteria of agreeing. This result explains that in general employee performance at PT RIM Syam Gold Bangkinang is good but still not optimal, because there are still many employees who say they do not agree with the statements in the employee performance assessment. This result is assessed from several indicators, namely the quality of employee work results (quality), achievement of employee work targets (quantity), deadline for completing tasks (timeliness), cost effectiveness (cost effectiveness), need for supervision and interpersonal impact.

Respondents' responses to the ten statements used to assess the performance of PT RIM Syam Gold Bangkinang employees, obtained an average total score of 3.62 with the criteria of agree or good. This means that in general PT RIM Syam Gold Bangkinang employees have good work motivation but are still not optimal. This is assessed from the sense of responsibility in every task implementation, the desire of employees to achieve or provide the best work results, the opportunity to advance, the attitude of leaders who always give recognition to the achievements of the employee's work results, and the desire of employees to do challenging jobs.

Next, the responses to the nine statements related to the assessment of employee perceptions related to the provision of rewards at PT RIM Syam Gold Bangkinang. The average score is 3.56 with the criteria of agreeing. These results explain that in general employees assess that the provision of rewards in the company has been running well but is still not optimal, because there are still some employees who say they do not agree with each statement used in the assessment of employee perceptions about rewards. This assessment is based on the existence of financial rewards consisting of salary, employee benefits, bonuses/incentives, non-financial rewards consisting of interpersonal rewards, promotions and intrinsic rewards consisting of completion, achievement, autonomy. And the respondents' responses to the six statements used to assess the implementation of punishment for employees at PT RIM Syam Gold Bangkinang. In general, the implementation of punishment has been running well but is still not optimal, because there are still many employees who disagree with these statements. This assessment is based on preventive punishment consisting of rules, recommendations and orders, prohibitions, coercion, discipline, and repressive punishment consisting of notifications, reprimands, warnings, and punishments.

The results of construct validity and reliability testing are explained in the following outer model stage:

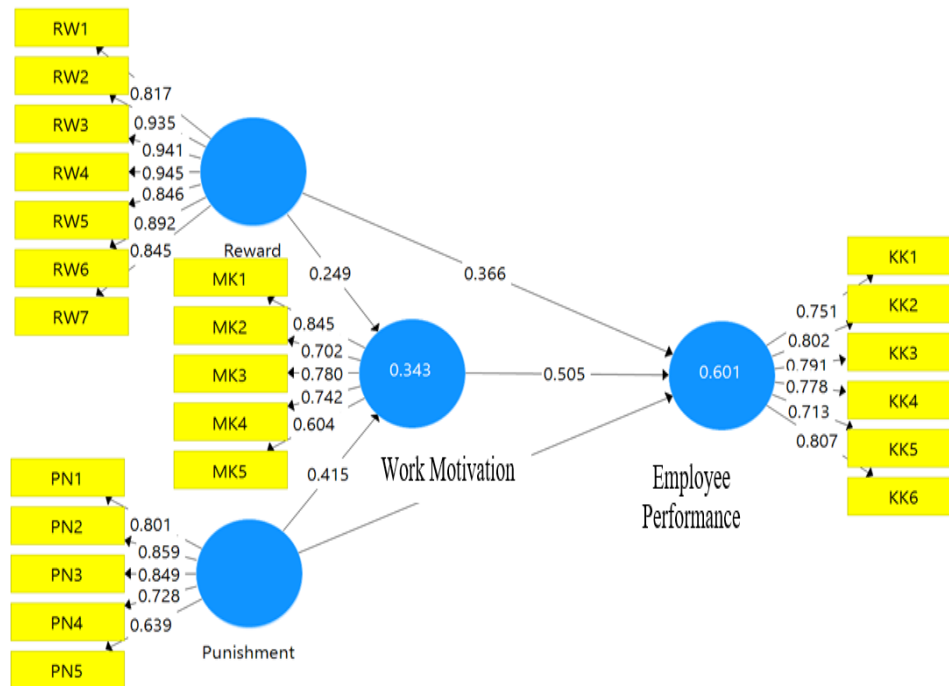


Figure 2. *The Results of Measurement Model Evaluation (Outer Model)*
(Source: Data Processing Results)

Based on Figure 2, the model structure used in this study can be seen with the results of the validity test, which can be seen in the figure. However, in more detail in the section below, the stages of analysis that will be carried out will be explained. The results of data processing with the smartPLS algorithm version 3.00 program package for outer loading can be seen in Table 3.

Table 3. Results of Validity Testing with the Convergent Validity Approach

Variables	Item	Factor Loading	AVE	Results
Employee Performance	KK1	0,751	0,600	Valid
	KK2	0,802		Valid
	KK3	0,791		Valid
	KK4	0,778		Valid
	KK5	0,713		Valid
	KK6	0,807		Valid
Work Motivation	MK1	0,845	0,546	Valid
	MK2	0,702		Valid
	MK3	0,780		Valid
	MK4	0,742		Valid
	MK5	0,604		Valid
Punishment	PN1	0,801	0,608	Valid
	PN2	0,859		Valid
	PN3	0,849		Valid
	PN4	0,728		Valid
	PN5	0,639		Valid
Reward	RW1	0,817	0,792	Valid
	RW2	0,935		Valid
	RW3	0,941		Valid
	RW4	0,945		Valid

RW5	0,846	Valid
RW6	0,892	Valid
RW7	0,845	Valid

Source: Data Processing Results

According to Table 3, it can be seen that the results of the validity test for the construct of each variable through the convergent validity approach have met the requirements because the outer loading value of each indicator is above 0.7. In more detail, it can be explained that the variables of employee performance, work motivation, reward, and punishment already have an outer loading value above 0.7. Then the validity test can also be done with AVE, where each latent construct must have an AVE value > 0.5 ; it is said to reflect a good measurement model and vice versa. The results of the AVE value for the variables in this study from the four variables are above 0.5. This means that each indicator of the latent construct can explain 50% or more of its variance. Then the reliability test was carried out, and the results of the reliability test were obtained with the composite reliability approach, and the Cronbach's alpha value can be seen in Table 4:

Table 4. Composite Reliability and Cronbach's Alpha Values

Construct	CA	CR
Employee Performance	0,867	0,900
Work Motivation	0,787	0,856
<i>Punishment</i>	0,837	0,885
<i>Reward</i>	0,956	0,964

Source: Data Processing Results

Table 4 show, it can be seen that all constructs or research variables have Composite Reliability (CR) and Cronbach's Alpha (CA) values greater than 0.7. Thus, it can be said that the constructs or research variables, namely employee performance, work motivation, punishment and reward, are stated to be reliable. Therefore, it can be said that all valid instruments already have a good level of reliability in determining the variables studied. Then, the results of the research hypothesis testing can be seen in Table 5.

Table 5. Value of Relationship between Variables (Direct and Indirect Effects)

	Hypothesis	Direct Effect	Indirect Effect	t-Test	Conclusion
H1	<i>Reward</i> -> Work Motivation	0.249 (0.047)	-	2.978	Significant
H2	<i>Punishment</i> -> Work Motivation	0.415 (0.001)	-	3.398	Significant
H3	<i>Reward</i> -> Employee Performance	0.366 (0.003)	-	1.989	Significant
H4	Work Motivation -> Employee Performance	0.505 (0.000)	-	4.193	Significant
H5	<i>Punishment</i> -> Employee Performance	0.040 (0.678)	-	0.415	Not Significant
H6	<i>Reward</i> -> Work Motivation -> Employee Performance	-	0.126 (0.024)	1.600	Significant
H7	<i>Punishment</i> -> Work Motivation -> Employee Performance	-	0.210 (0.019)	2.357	Significant

Source: Data Processing Results

These results explain that there is a significant influence of the reward variable on employee work motivation. Thus, the first hypothesis in this study is accepted at a 95% confidence level. This means that if it is assumed that the reward received by employees increases, then employee work motivation also increases, and vice versa. Thus, rewards are proven to be a determining factor in whether or not employee work motivation is good at PT RIM Syam Gold Bangkinang.

The results of this study are in line with the opinion of Gitosudarmo (2000), who said that one of the basic objectives of giving rewards is to motivate members of the organization. The meaning of this statement is that the reward system is designed by the company to spur the work passion of its employees so that they can improve their performance at work. In general, giving rewards to employees aims to increase employee work motivation, so that an employees will be optimally motivated to work. Based on the results above, it can be said that employee work motivation will be formed with the existence of rewards, whether from salary, allowances, bonuses, interpersonal awards, achievements, or autonomy, so that it can be enriched that the provision of rewards at PT RIM Syam Gold Bangkinang is in accordance with employee desires, so that it can increase employee work motivation. The results of this study are in line with the research conducted by Purwantono (2014) that there is a positive influence of rewards on employee work motivation. However, the results of the study are not in line with the research conducted by Natasya and Piter (2018), where the results of the study concluded that rewards do not have a significant effect on motivation but punishment has a significant effect on motivation. The conclusion of mediation shows that motivation is able to mediate punishment on employee performance but motivation does not mediate rewards on employee performance.

This study also explains that there is a significant influence of the punishment variable on employee work motivation, thus the second hypothesis is accepted at a 95% confidence level. This means that if it is assumed that the punishment received by employees increases, then employee work motivation will also increase and vice versa. Thus, punishment is proven to be a determining factor in whether or not employee work motivation is good at PT RIM Syam Gold Bangkinang. The results of this study are in line with research conducted by Purwantono (2014) which found that punishment has a significant effect on employee work motivation. Likewise, research conducted by Natasya and Piter (2018), where the results of their research concluded that punishment has a significant effect on motivation. However, the results of this study are not in line with research conducted by Silfia Febrianti, et al. (2014), which found that punishment has no significant effect on employee work motivation. In general, giving punishment to employees aims to increase employee work motivation, so that an employee will be optimal in working. In line with the opinion of Skinner (2013), punishment is not an effective way for company leaders to influence behavior that is temporary and does not last long. So what happened at PT RIM Syam Gold Pbangkinang is not a rare thing. The punishment that was applied had a significant influence on work motivation. Furthermore, the results of this study explain that there is a significant direct influence of the reward variable on employee performance; thus the third hypothesis is accepted at a 95% confidence level. This means that if it is assumed that the reward received by employees increases, employee performance will also increase, and vice versa. Thus, rewards are proven to be a determining factor in whether or not employee performance is good at PT RIM Syam Gold Bangkinang.

Looking at the influence of work motivation on employee performance on employee performance at PT RIM Syam Gold Bangkinang obtained 0.505, the t-statistic value obtained 4.193 with a p-value (significance value) of 0.000. This study uses alpha 5%, the p-

value is lower than alpha, which is $0.000 < 0.05$. These results explain that there is a significant influence of the work motivation variable on employee performance; thus the fourth hypothesis is accepted at a confidence level of 95%. This means that if it is assumed that employee work motivation increases, employee performance will also increase and vice versa. Thus, work motivation is proven to be a determining factor in whether or not employee performance is good at PT RIM Syam Gold Bangkinang. Furthermore, the direct effect of punishment on employee performance through the regression coefficient of the punishment variable on employee performance at PT RIM Syam Gold Bangkinang was obtained at 0.040, and the t-statistic value was obtained at 0.679 with a p-value (significance value) of 0.405. This study uses an alpha of 5%; therefore that the p-value is higher than alpha, namely $0.415 > 0.05$. These results explain that there is no significant direct effect of the punishment variable on employee performance; thus, the fifth hypothesis is rejected at a confidence level of 95%. This means that punishment is not proven to be a determining factor in whether or not employee performance is good at PT RIM Syam Gold Bangkinang.

Then for the indirect effect of reward on employee performance through work motivation, the regression coefficient is 0.126 and the t-statistic value is 1.600 with a p-value (significance value) of 0.024. This study uses alpha 5% (p-value = 0.05), so the p-value is lower than alpha, which is $0.024 < 0.05$. These results explain that there is a significant indirect effect of the reward variable on employee performance through work motivation; thus the sixth hypothesis is accepted at a 95% confidence level. This means that work motivation is proven to be able to mediate or strengthen and weaken the effect of reward on employee performance by 12.6% at PT RIM Syam Gold Bangkinang.

The indirect effect of punishment on employee performance through work motivation, obtained a regression coefficient of 0.126 and a statistical t value of 2.357 with a p-value (significance value) of 0.019. This study uses alpha 5%, and the p-value is lower than alpha, which is $0.019 < 0.05$. These results explain that there is a significant indirect effect of the punishment variable on employee performance through work motivation; thus, the seventh hypothesis is accepted at a 95% confidence level. This means that work motivation is proven to be able to mediate or strengthen and weaken the effect of punishment on employee performance by 21% at PT RIM Syam Gold Bangkinang.

The management of PT RIM Syam Gold Bangkinang motivates employees with various strategies. The results of the work motivation assessment at PT RIM Syam Gold Bangkinang based on employee or respondent perceptions, show that in general, PT RIM Syam Gold Bangkinang employees have good work motivation but are still not optimal. This is assessed from the sense of responsibility in every task implementation, the desire of employees to achieve or provide the best work results, the opportunity to advance, the attitude of leaders who always give recognition to the achievements of the employees' work results, and the desire of employees to do challenging jobs.

The results of this study are in accordance with the opinion of Mangkunegara (2017), who said that performance consists of ability and motivation. The meaning of this statement is that to form good employee performance, work ability and work motivation are needed in employees, because if a company already has quality employees or human resources, employee performance automatically has an impact on the company, being able to achieve predetermined targets as not to harm the company (Zulher et al., 2025). However, if only ability is not accompanied by motivation, then it will not mean anything, because motivation for each individual is important as a driver of a person's work passion.

Motivation can be obtained by individuals from themselves or the company. Therefore, ability and motivation must be balanced to achieve good performance per the wishes and regulations of the company. In general, employee motivation aims to improve employee performance so that company goals can be achieved. in addition, with motivation,

employees will be more enthusiastic, so that work results will be more optimal. The results of this study are in line with research conducted by Febrianti et al. (2014), where the results of the study concluded that employee work motivation has a significant effect on employee performance. This is the same as research conducted by Taufan Maulana Fajri and Abdul Rohman (2019), where the study concluded that there is a positive influence of the reward system and employee motivation on employee performance. Thus, work motivation becomes an important factor in changing employee behavior in the company when working. Negative behavior, such as indifference, can be overcome efficiently by good work motivation, allowing the company to grow and achieve success. Well-motivated employees can increase loyalty to the company. High employee work motivation has high morale and commitment to the company and its ideals. Therefore, work motivation can also reduce employee turnover and stabilize new employee recruitment activities stably.

The results of this study are not in line with the research conducted by Laila Ismah, et al., (2023), where the results of the study concluded that rewards have a significant positive influence on employee motivation, punishment has an insignificant positive influence on work motivation, rewards have an insignificant positive influence on performance through work motivation, punishment has an insignificant positive influence on performance through work motivation and work motivation has a significant positive influence on performance. Looking at the results of the study, it can be seen that employee work motivation can mediate the influence of punishment on employee performance. This means that the implementation of appropriate punishment can increase employee work motivation, and employees who are well motivated will be able to work optimally so that the results of the employee's work or performance can be maximized. Therefore, the management of PT RIM Syam Gold Bangkinang should formulate policies for the implementation of appropriate punishment, and the implementation of fair punishment without discrimination between employees will have a positive impact on employee motivation and performance.

5. CONCLUSION

Based on the research results, the following conclusions the reward variable is proven to have a positive and significant effect on employee work motivation at PT RIM Syam Gold Bangkinang. This result explains that there is a significant effect of the reward variable on employee work motivation, thus the first hypothesis in this study is accepted at a 95% confidence level. This means that if it is assumed that the reward received by employees increases, then employee work motivation also increases, and vice versa. Thus, rewards are proven to be a determining factor in whether or not employee work motivation is good at PT RIM Syam Gold Bangkinang. The punishment variable is proven to have a positive and significant effect on employee work motivation at PT RIM Syam Gold Bangkinang. This result explains that there is a significant effect of the punishment variable on employee work motivation. This means that if it is assumed that the punishment received by employees increases, employee work motivation will also increase, and vice versa. Thus, punishment is proven to be a determining factor in whether or not employee work motivation is good at PT RIM Syam Gold Bangkinang.

The reward variable is proven to have a direct and significant influence on employee performance. This result explains that there is a direct significant influence of the reward variable on employee performance. This means that if it is assumed that the reward received by employees increases, employee performance will also increase, and vice versa. Thus, rewards are proven to be a determining factor in whether or not employee performance is good at PT RIM Syam Gold Bangkinang. The work motivation variable is proven to have a significant and positive effect on employee performance on employee performance at PT RIM Syam Gold Bangkinang. These results explain that there is a significant effect of the

work motivation variable on employee performance; thus the fourth hypothesis is accepted. This means that if it is assumed that employee work motivation increases, employee performance will also increase and vice versa. Thus, work motivation is proven to be a determining factor in whether or not employee performance is good at PT RIM Syam Gold Bangkinang. Punishment is not proven to have a direct influence on employee performance; this can be seen from the p-value. This result explains that there is no significant direct influence of the punishment variable on employee performance. This means that punishment is not proven to be a determining factor in whether or not employee performance is good at PT RIM Syam Gold Bangkinang. There is an indirect effect of rewards on employee performance through work motivation, which can be seen from the p-value lower than alpha. This result explains that there is a significant indirect effect of the reward variable on employee performance through work motivation. This means that work motivation is proven to be able to mediate or strengthen and weaken the effect of rewards on employee performance at PT RIM Syam Gold Bangkinang. There is an indirect effect of punishment on employee performance through work motivation. This result explains that there is a significant indirect effect of the punishment variable on employee performance through work motivation. This means that work motivation is proven to be able to mediate or strengthen and weaken the effect of punishment on employee performance at PT RIM Syam Gold Bangkinang.

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