

## THE EFFECT OF REWARDS, PUNISHMENT AND FACILITIES ON EMPLOYEE PERFORMANCE

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### Abstract

#### **Keywords:**

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Facility,  
Punishment.

*This study aims to analyze the influence of facilities, rewards, and punishments on employee performance in a private company in Simalungun Regency. The research method used is simple correlation analysis. This study uses a quantitative approach with data collected through questionnaires distributed to 50 employees. Data analysis uses simple correlation to test the influence of independent variables (facilities, rewards, and punishments) on the dependent variable (employee performance). The results of the study indicate that work facilities, rewards, and punishments have a positive and significant effect on employee performance with b based on distribution data :*

- 1. Rewards and facilities have a greater positive influence on employee performance.*
- 2. Positive motivation-based approaches (rewards and work comfort) are more effective than punishment-based approaches.*
- 3. It is recommended that organizations strengthen the reward system and improve work facilities to maximize employee productivity.*

*The practical implications of the study are that rewards and facilities have a greater influence on improving employee performance than punishment. Companies are advised to focus more on the reward system and improving the quality of work facilities to increase employee productivity.*

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## INTRODUCTION

Human resources according to Mulyati are important assets in a business organization or a company, because they act as implementers of company policies and operational activities. Resources owned by the company such as capital, methods and



machines cannot provide maximum results if they are not supported by human resources that have maximum performance. (Mulyati, 2020). Performance according to Asnawi is defined as the extent to which a person can carry out his responsibilities and duties in a job (Asnawi, 2019). Reward is defined by Paramarta as a form of reward, gift or award. Giving a pleasant gift after someone does the desired behavior (Paramarta, 2016). Punishment is defined by Rivai as a tool used by leaders in communicating with employees so that they are willing to change a behavior and as an effort to increase awareness and availability of someone to obey all company regulations and applicable social norms (Rivai, 2005). According to Sutrisno, work facilities are everything in the work environment that can support the achievement of organizational goals. Work facilities include various physical resources needed by employees to complete their tasks, such as office equipment, supplies, information technology, and a comfortable and safe work environment (Sutrisno, 2019).

In this study, the sampling technique used is sampling with all members of the population used as samples. The number of employees sampled in this study was 50 people. The data collection technique used in this study was by using a questionnaire, where each question was provided with alternative answers. This study was measured using a Likert scale, with information 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree), and 5 (strongly agree).

Based on distribution data:

- Rewards and facilities have a greater positive influence on employee performance.
- Positive motivation-based approaches (rewards and work comfort) are more effective than punishment-based approaches.
- It is recommended that organizations strengthen reward systems and improve work facilities to maximize employee productivity.

Rewards and facilities have a greater influence on improving employee performance than punishment. Companies are advised to focus more on the reward system and improving the quality of work facilities to increase employee productivity.

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### Human Resources

According to Mulyati, human resources are important assets in a business organization or a company, because they act as implementers of company policies and operational activities. Resources owned by the company such as capital, methods and machines cannot provide maximum results if they are not supported by human resources that have maximum performance. To get maximum performance results, human resources must be organized and managed as well as possible, so that human resources in a company feel comfortable in carrying out their duties and get the desired results. (Mulyati, 2020).

### Performance

Performance according to Asnawi is defined as the extent to which a person can carry out his responsibilities and duties in a job (Asnawi, 2019). Performance is a work achievement that is the result of the implementation of a work plan made by an institution carried out by leaders and employees (HR) who work in that institution, both government and companies (businesses) to achieve organizational goals (Abdullah, 2014). Furthermore, Mangkunegara defines employee performance as the results of work in terms of quality and quantity achieved

by employees in carrying out their duties in accordance with the responsibilities given to them by the company (Mangkunegara, 2016). From the various definitions above, it can be concluded that employee performance is an output obtained from the work process of an employee in a company, where the work carried out is in accordance with the responsibilities given by the superior.

### **Rewards**

Reward is defined by Paramarta as a form of reward, gift or award. Giving a pleasant gift after someone does the desired behavior (Paramarta, 2016). According to Shields, reward can be something tangible or intangible that the organization gives 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. Furthermore, according to Handoko, reward is a form of appreciation for efforts to obtain professional workers in accordance with the demands of the position, balanced development is needed, namely an effort to plan, organize, use, and maintain workers so that they are able to carry out tasks effectively and efficiently (Handoko, 2012). From the various definitions, it can be concluded that reward is a form of gift or award given by the company for the achievements that have been achieved by its employees.

### **Punishment**

Punishment is defined by Rivai as a tool used by leaders in communicating with employees so that they are willing to change a behavior and as an effort to increase awareness and willingness of someone to obey all company regulations and applicable social norms (Rivai, 2005). According to Mangkunegara, punishment is a threat of punishment that aims to improve the performance of violating employees, maintain applicable regulations and provide lessons to violators (Mangkunegara, 2016). Meanwhile, according to Fahmi, punishment is a sanction received by an employee because of his inability to do or carry out work according to the orders of his superiors (Fahmi, 2017). From the various definitions, it can be concluded that 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.

### **Relationship between Rewards and Employee Performance**

Reward giving is one of the implementation of human resource functions as a form of positive attention from the company to provide encouragement, as well as a form of company participation to motivate and provide encouragement, so that employees are able to provide the best results for the company. The amount of reward given by the company is sometimes a reflection of the work productivity given by employees to the company which is based on responsibility, a high sense of belonging to the company, and vice versa the company appreciates the results of employee work well and repays it in the form of awards that are useful and can be felt directly by employees. Research on the relationship between rewards and employee performance has been done a lot before. Pramesti et al., in their research found that rewards have a positive effect on employee performance. This means that if the reward system given is increasingly fair, such as salary and bonuses, welfare, and career development, employee performance will increase so that they are able to carry out their work well with quality, have punctuality, effectiveness and have independence. (Pramesti, M. V., Sambul, T., & Rumawas, 2019). The results of this study support similar studies conducted by Lamin (2021); Suparmi and Septiawan (2019); Ruben and Priyantono (2019); Suparmi and Septiawan (2019); Husin, et al. (2019); Ruben and Priyantono (2019); and Wirawan and Afani (2018).

### **Relationship between Punishment and Employee Performance**

Punishment is a threat of punishment that aims to improve the performance of violating employees, maintain applicable regulations and provide lessons to violators. (Mangkunegara,

2015). Every job assigned to an employee is in accordance with the provisions stated at the beginning when the employee works at the company, especially when the employee signs an agreement of willingness to work according to the orders of the decree outlined. In a company activity, giving punishment/punishment is a common activity, because punishment aims to discipline each employee to act in accordance with the rules and procedures of behavior that have been set by the company (Fahmi, 2017). Conditions like this will increase employee performance. Research on the relationship between punishment and employee performance has been carried out a lot before (Pramesti, M. V., Sambul, T., & Rumawas, 2019) in his research found that punishment affects employee performance. With punishment, employees will be more disciplined and careful and able to carry out their work duties so as to improve performance. The results of this study support similar studies conducted by Suparmi and Septiawan (2019); Ruben and Priyantono (2019).

### **Relationship between Reward and Punishment with Employee Performance**

Handoko said that reward is a form of appreciation for efforts to obtain professional workers in accordance with the demands of a balanced development position, namely the effort of planning, organizing, using, and maintaining workers so that they are able to carry out tasks effectively and efficiently (Handoko, 2017). Fahmi explained that punishment is a sanction received by an employee because of his inability to do or carry out work according to the orders of his superiors (Fahmi, 2017). Reward and punishment are concepts developed from a concept of human resource management, especially aimed at motivating someone to do good and improve their performance. These two methods have been known for a long time in the world of work. Not only in the world of work, in the world of education, these two are often used (Mangkunegara, 2016). The theory put forward by Wibowo explains that the main purpose of implementing a reward and punishment program is to attract capable people to join the organization, keep employees coming to work, and motivate employees to achieve performance. Pramesti in his research found that rewards and punishments simultaneously have a significant effect on employee performance. Where if the reward is high and the punishment is good, it will improve performance even better (Pramesti, M. V., Sambul, T., & Rumawas, 2019). The results of this study support the research (Lamin, 2021).

### **Work Facilities**

Work Facilities can be defined as facilities and infrastructure provided by an organization or company to support employee activities and performance in carrying out their work. According to Sutrisno, work facilities are everything in the work environment that can support the achievement of organizational goals. Work facilities include various physical resources needed by employees to complete their tasks, such as office equipment, supplies, information technology, and a comfortable and safe work environment. (Sutrisno, 2019).

From the above definitions, it can be concluded that work facilities are an important element in an organization that plays a role in supporting employee activities and performance in order to achieve organizational goals. Work facilities include various physical resources needed by employees to complete their tasks, such as office equipment, supplies, information technology, and a comfortable and safe work environment. The main purpose of work facilities is to facilitate and support employees in completing their tasks effectively and efficiently, increasing employee productivity, motivation, and satisfaction.

According to Sedarmayanti, several types of work facilities that are generally provided by organizations or companies include:

1. Office equipment (computers, printers, copiers, etc.). Office equipment is a very

important facility for employees to complete administrative and documentation work.

2. Office equipment (tables, chairs, cabinets, etc.). Good and comfortable office equipment can increase employee productivity.
3. Information Technology (internet network, software, etc.). Information technology helps employees access, process, and store data more efficiently.
4. Means of Transportation (operational vehicles). Means of transportation are needed to facilitate employee mobility in carrying out tasks in the field.
5. Supporting Facilities (meeting room, pantry, place of worship, etc.). Supporting facilities can increase employee comfort and satisfaction at work.
6. Work Environment (lighting, ventilation, security, etc.). A good work environment, such as adequate lighting, good air circulation, and guaranteed security can increase employee productivity (Sedarmayanti, 2017).

Functions and Benefits of Work Facilities According to Sutrisno, work facilities have several important functions and benefits, including:

1. Increase employee work efficiency and productivity. Adequate work facilities can help employees complete tasks more quickly and efficiently, thereby increasing productivity.
2. Creating a comfortable and safe working environment. A comfortable and safe working environment can increase employee motivation and job satisfaction.
3. Supports the smooth operation of an organization or company: good work facilities can facilitate the work processes and operations of an organization or company.
4. Make it easier for employees to complete their tasks and responsibilities: with adequate work facilities, employees can more easily complete their tasks and responsibilities.
5. Increase employee satisfaction and work motivation: Good work facilities can increase employee satisfaction and work motivation, which will ultimately improve their performance (Sutrisno, 2019).

Work Facility Indicators According to Sabri and Susanti, work facility indicators include:

1. According to needs The work facilities provided must be in accordance with the needs of the work being done. For example, office workers need computers, printers, and other office equipment, while field workers may need operational vehicles, special equipment, and so on.
2. Able to optimize work results Good work facilities must be able to help increase productivity and optimize employee work results. Adequate facilities will allow employees to work more efficiently and effectively.
3. Easy to use, operate, maintain, and care for the facility. Facilities that are difficult to use can hinder productivity and cause frustration for employees.
4. Speed up the work process The existence of adequate work facilities can speed up the employee's work process. For example, sophisticated computers can help complete administrative tasks faster, or modern tools can speed up the production process.
5. Properly arranged placement Effective workspace layout involves careful space planning to meet the specific needs of the work area, ensuring good ergonomics with furniture and equipment that supports healthy posture, and ensuring safety by providing adequate space for movement and safe equipment. Good organization and regular cleaning are essential to prevent clutter, while adequate lighting and good



ventilation maintain comfort. Accessibility for all, including those with special needs, should be ensured by easily accessible public facilities. Finally, flexible and adaptive design allows for adjustments to suit changing business needs and developments, supporting employee productivity and well-being (Sabri, T. A. R., & Susanti, 2021).

## METHOD STUDY

The research method used in this study is a descriptive analysis research method using a survey method and a quantitative approach. Descriptive research is conducted by collecting data from respondents through the distribution of questionnaires containing statements that must be answered by respondents. Population and Sample The population in this study were employees of a private company in Simalungun district.

In this study, the sampling technique used is sampling with all members of the population used as samples. The number of employees sampled in this study was 50 people. The data collection technique used in this study was by using a questionnaire, where each question was provided with alternative answers. This study was measured using a Likert scale, with information 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree), and 5 (strongly agree).

## RESULTS AND DISCUSSION

### 1. Data Distribution Based on Respondents

**Table 1. Punishment on Performance**

Score Value	Category	Number of Respondents
3	Neutral	25
4	Agree	10
5	Strongly agree	15
<b>Total</b>		<b>50</b>

**Table 2. Facilities for Performance**

Score Value	Category	Number of Respondents
4	Agree	10
5	Strongly agree	40
<b>Total</b>		<b>50</b>

**Table 3. Rewards for Performance**

Score Value	Category	Number of Respondents
3	Neutral	5
4	Agree	15
5	Strongly agree	30
<b>Total</b>		<b>50</b>

## 2. Summary and Average Data

### Variables Average Respondent Score

Punishment  $(25 \times 3 + 10 \times 4 + 15 \times 5) / 50 = 3.6$

Rewards  $(5 \times 3 + 15 \times 4 + 30 \times 5) / 50 = 4.5$

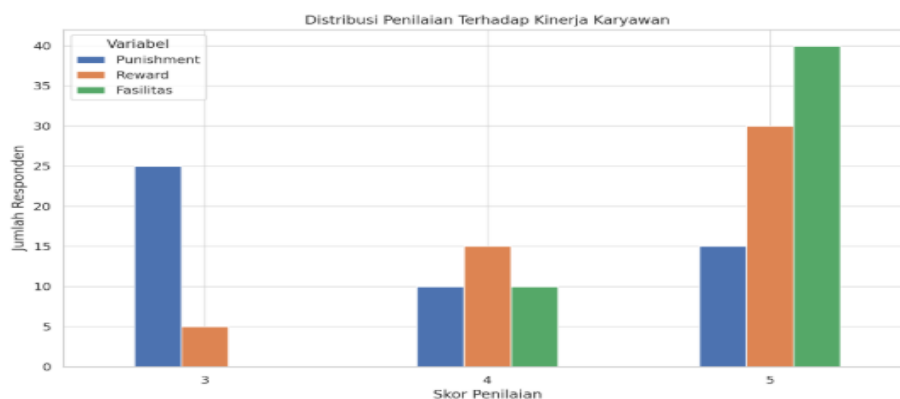
Facility  $(10 \times 4 + 40 \times 5) / 50 = 4.8$

**Table 4. Simple Correlation to Performance**

Variables	Spearman Correlation (with Performance)	Interpretation
Punishment	$\approx 0.45$	The correlation is positive
Rewards	$\approx 0.65$	Strong positive correlation
Facility	$\approx 0.70$	Strong positive correlation

## 3. Interpretation

- Rewards and facilities show a stronger influence on improving employee performance, compared to punishment.
- Most employees (60%) are neutral or do not respond too well to punishment, so its effectiveness in driving performance tends to be lower.
- On the contrary, the majority strongly agreed that rewards and facilities contributed positively to their performance (60% and 80% respectively).



**Figure 1. Graph**

## CONCLUSION

Human resources are important assets in a business organization or a company, because they act as implementers of company policies and operational activities. Resources owned by the company such as capital, methods and machines cannot provide maximum results if not supported by human resources that have maximum performance. To get maximum performance results, human resources must be organized and managed as well as possible, so that human resources in a company feel comfortable in carrying out their duties and get the desired results. Based on distribution data:

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