

STRENGTHENING EMPLOYEE PERFORMANCE THROUGH REWARDS AND PUNISHMENT

Markus Umbu Pati Londong¹, Frans Gana², Ricky Ekaputra Foeh³

¹ Business Administration, Universitas Nusa Cendana, East Nusa Tenggara, Indonesia

² Business Administration, Universitas Nusa Cendana, East Nusa Tenggara, Indonesia

³ Business Administration, Universitas Nusa Cendana, East Nusa Tenggara, Indonesia

E-mail: markuslondong56@email.com

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Abstract

This study examines the influence of reward and punishment on employee performance at CV Auto Nusa Abadi Kupang. A quantitative approach was applied using a survey method. The research population consisted of 68 employees, all of whom were included as respondents through a saturated sampling technique. Data were collected using structured questionnaires and analyzed through multiple linear regression with the assistance of SPSS software. The results reveal that rewards have a positive and statistically significant effect on employee performance. Punishment also shows a positive and significant impact on performance. Simultaneously, reward and punishment jointly influence employee performance. These findings indicate that the fair and consistent application of reward and punishment systems can effectively enhance employee performance. Therefore, organizations are encouraged to develop and strengthen reward and punishment policies to achieve better work outcomes.

Keyword: Reward, Punishment, Kinerja Karyawan

Introduction

Human resources are a strategic asset in determining organizational success. Employee performance serves as a key indicator of the effectiveness of human resource management, as it is directly related to the achievement of organizational objectives. High performance reflects employees' ability to carry out tasks efficiently and effectively in accordance with established standards. One of the human resource management policies that plays a crucial role in improving employee performance is the implementation of reward and punishment systems. Rewards are provided as recognition for employee achievements and contributions, while punishment represents sanctions imposed for violations of organizational rules. When applied appropriately, reward and punishment can increase work motivation, strengthen discipline, and enhance employees' sense of responsibility. Previous studies have demonstrated that reward and punishment significantly affect employee performance. Research has shown that rewards positively influence performance, while fair and proportional punishment can improve work discipline. Other studies also indicate that the combined application of reward and punishment contributes to performance improvement. CV Auto Nusa Abadi Kupang, an automotive company, faces challenges in maintaining and improving employee performance. Differences in performance levels among employees are suspected to be associated with the implementation of reward and punishment systems that have not yet been fully optimized. Therefore, this study aims to provide empirical evidence regarding the effect of reward and punishment, both partially and simultaneously, on employee performance at CV Auto Nusa Abadi Kupang.

Research Method

This research employed a quantitative approach using a survey method. The quantitative design was chosen to statistically test the influence of reward and punishment on employee performance, allowing for objective measurement of relationships among variables. The population of this study comprised all 68 employees of CV Auto Nusa Abadi Kupang. Due to the relatively small population size, a saturated sampling technique was applied, meaning that all employees were included as research respondents. Data were collected through questionnaires developed based on indicators of each research variable. The questionnaires were designed to capture employees' perceptions of reward implementation, punishment practices, and their own performance. A Likert scale was used to measure responses. Data analysis was conducted using multiple linear regression analysis to examine the effect of reward and punishment on employee performance, both individually and simultaneously. Statistical analysis was performed

using the Statistical Package for the Social Sciences (SPSS). Hypothesis testing involved t-tests for partial effects, F-tests for simultaneous effects, and the coefficient of determination (R^2) to assess the contribution of reward and punishment to employee performance.

Literature Review/Result

The results of the study indicate that rewards play an important role in enhancing employee performance. Employees who receive recognition for their achievements tend to exhibit higher motivation, greater responsibility, and stronger efforts to maintain consistent performance quality. Rewards perceived as fair and transparent strengthen employees' commitment to organizational goals. Punishment also contributes to employee performance improvement. Clearly defined and consistently enforced sanctions are associated with higher levels of discipline and compliance with organizational rules. Employees become more cautious in performing their duties and strive to avoid actions that may harm the organization. In this context, punishment functions as a behavioral control mechanism rather than merely a form of retribution. Furthermore, the findings show that reward and punishment jointly influence employee performance. A balanced combination of incentives and sanctions creates harmony between motivational encouragement and behavioral control. As a result, reward and punishment systems function as complementary human resource management instruments in improving employee performance.

Table 1. Summary of Findings on the Role of Rewards and Punishments on Employee Performance

Variables	Main Findings	Implications for Employee Performance
Reward	Fair and transparent reward delivery increases employee motivation and work commitment	Employees demonstrate greater work responsibility and strive to maintain performance
Punishment	Clear and consistent application of sanctions fosters discipline and compliance with work rules.	Employees become more careful and reduce errors in carrying out their duties.
Rewards and Punishments	The combination of rewards and sanctions creates a balance between motivation and control over work behavior	The work environment becomes more conducive and supports continuous performance improvement.

Discussion

Research results show that rewards play a role in improving employee performance. Rewards provided by organizations encourage positive work behaviors, such as increased motivation, commitment, and a sense of responsibility for work. This finding supports the views of Hasibuan (2016) and Simamora (2022), who stated that rewards not only serve as a motivator but also as a form of recognition for employee contributions. With recognition, employees are encouraged to maintain and improve the quality of their performance. The findings confirm that rewards contribute significantly to improved employee performance by encouraging positive work behaviors such as motivation, commitment, and accountability. Rewards not only serve as motivational triggers but also represent recognition of employee contributions, encouraging individuals to maintain and enhance their performance levels. Punishment is also shown to positively affect performance through increased work discipline. Consistent enforcement of sanctions helps shape behavior that aligns with organizational standards. In this sense, punishment serves as a corrective tool rather than a purely punitive measure, guiding employees toward better performance. When reward and punishment are applied in balance, organizations can create a supportive work environment conducive to sustained performance improvement. Rewards reinforce desired behaviors, while punishment limits undesirable actions. The effectiveness of these systems largely depends on employees' perceptions of fairness and consistency in their implementation.

Conclusion and Recommendation

This research shows that the implementation of rewards and punishments plays a crucial role in shaping employee performance through motivational mechanisms and controlling work behavior. Fair and transparent rewards can increase employee motivation, commitment, and responsibility, while consistent and constructive punishments contribute to increased discipline and compliance with work regulations. Therefore, organizations are advised to

design reward and punishment systems that emphasize the principles of fairness, transparency, and consistency to ensure positive employee acceptance and encourage continuous performance improvement. Further research could examine other factors influencing employee performance, such as leadership style, organizational culture, or job satisfaction, and employ more diverse research approaches to deepen our understanding of performance management in various organizational contexts.

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BIOGRAPHY

First Author — Markus Umbu Pati Londong

Markus Umbu Pati Londong is a student in the Business Administration Study Program, Faculty of Social and Political Sciences, Nusa Cendana University, Kupang, Indonesia. He is currently completing his thesis research in human resource management, focusing on reward and punishment systems and employee performance. His academic interests include organizational behavior, human resource development, and performance management in an organizational context.

Second Author — Prof. Dr. Frans Gana, M.Si.

Prof. Dr. Frans Gana, M.Si. earned his undergraduate degree from Nusa Cendana University and then pursued his Masters and Doctoral degrees at the University of Indonesia. He is a Professor of Strategic Management and Business Policy at the Faculty of Social and Political Sciences, Nusa Cendana University, Kupang, East Nusa Tenggara, Indonesia. He actively teaches, researches, and develops the science of business administration and human resource management in the context of organizations and business policy. Prof. Gana has worked in academia for more than four decades, producing dozens of scientific publications, serving as a resource person at seminars, and participating in various community service activities that contribute to the development of knowledge and public empowerment in the region.

Third Author — Ricky Ekaputra Foeh, S.Pd., MM.

Ricky Ekaputra Foeh, S.Pd., MM is a lecturer in the Business Administration Study Program at the Faculty of Social and Political Sciences, Nusa Cendana University, Kupang, Indonesia. He earned a Bachelor's degree in English Education from Nusa Cendana University and a Master's degree in Management from Widya Mandira Catholic University, Kupang, with over a decade of teaching and research experience in business administration, human resource management, organizational development, and public policy. In addition to his academic activities, Ricky E. Foeh also writes opinion pieces and analyses for the mass media on economic issues, public policy, and management, and participates in research and scholarly publications that contribute to the development of business administration learning and practice.